4915. By the SPEAKER: Petition of the United States Conference of Mayors, Washington, D. C., petitioning consideration of their resolution with reference to the Works Progress Administration situation; to the Committee on Appropriations.

4916. Also, petition of the Workers Alliance of America, Washington, D. C., petitioning consideration of their resolution with reference to Walker County, Ala., Workers Alliance relief legislation; to the Committee on Appropriations.

SENATE

TUESDAY, JULY 25, 1939

The Senate met in executive session at 11 o'clock a. m.

The Reverend Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

Come, Holy Spirit, heavenly Guide: Inspire the hearts of Thy servants, the President of the United States, the Members of this Senate, and all the people of the land with the abundance of Thy grace. Nourish them with all goodness; replenish them with wisdom; and fill their minds with thankfulness for the mercies Thou hast ever bestowed, which exceed all that they have desired or deserved. Through Jesus Christ our Lord who with Thee and the Father reign as one God throughout the ages, world without end. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, July 24, 1939, was dispensed with, and the Journal was approved.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. The Senate adjourned last evening in executive session. Are we now automatically in executive session?

The VICE PRESIDENT. The Senate having met this morning following an adjournment in executive session last evening is, therefore, now in executive session.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Adams	Byrd	Gillette	Johnson, Colo.
Andrews	Byrnes	Glass	King
Ashurst	Capper	Green	La Follette
Austin	Chavez	Guffey	Lee
Bailey	Clark, Idaho	Gurney	Lodge
Bankhead	Clark, Mo.	Hale	Logan
Barbour	Connally	Harrison	Lucas
Barkley	Danaher	Hatch	Lundeen
Bilbo	Davis	Hayden	McCarran
Bone	Downey	Herring	McKellar
Borah	Ellender	Hill	McNary
Bridges	Frazier	Holman	Maloney
Brown	George	Holt	Mead
Bulow	Gerry	Hughes	Miller
Burke	Gibson	Johnson, Calif.	Minton
Murray	Radcliffe	Stewart	Vandenberg
Neely	Reed	Taft	Van Nuys
Norris	Russell	Thomas, Okla.	Wagner
Nye	Schwartz	Thomas, Utah	Walsh
O'Mahoney	Schwellenbach	Tobey	Wheeler
Overton	Sheppard	Townsend	White
Pepper	Shipstead	Truman	
Pittman	Smathers	Tydings	

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] and the Senator from South Carolina [Mr. SMITH] are detained from the Senate because of illness in their families.

The Senator from Ohio [Mr. DONAHEY] is unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY], and the Senator from Illinois [Mr. SLATTERY] are absent on important public business.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

REPORTS OF COMMITTEES

The VICE PRESIDENT. The Senate is in executive session. Are there any executive reports of committees?

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Joseph A. Ziemba, of Chicago, Ill., to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill. (reappointment).

He also, from the same committee, reported favorably the nominations of several doctors to be assistant surgeons in the United States Public Health Service, to take effect from date of oath.

Mr. BYRNES, from the Committee on Banking and Currency, reported favorably the nomination of Sam Husbands, of South Carolina, to be a member of the Board of Directors of the Reconstruction Finance Corporation for the unexpired term of 2 years from January 22, 1938.

Mr. BAILEY, from the Committee on Commerce, reported favorably the nominations of several officers for promotion in the Coast Guard.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the Executive Calendar is in order.

Mr. BARKLEY. I ask unanimous consent that the pending treaty which was under consideration at the time the Senate adjourned last night be now taken up and that the Executive Calendar be not called.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

GENERAL TREATY WITH PANAMA

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive B (74th Cong., 2d sess.), a general treaty between the United States of America and the Republic of Panama, signed at Washington on March 2, 1936.

The VICE PRESIDENT. The Senator from Nevada [Mr. PITTMAN] is recognized.

Mr. PITTMAN. Mr. President, there is pending an amendment offered to the treaty by the Senator from Rhode Island [Mr. GERRY], which reads as follows:

At the end of article X add the following: "either prior to or subsequent to the taking of such measures."

To understand that amendment one must again read article X.

Article X, to which the amendment is proposed to be added, reads as follows:

In case of an international conflagration or the existence of any threat of aggression which would endanger the security of the Republic of Panama or the neutrality or security of the Panama Canal, the Governments of the United States of America and the Republic of Panama will take such measures of prevention and defense as they may consider necessary for the protection of their common interests. Any measures, in safeguarding such interests, which it shall appear essential to one Government to take, and which may affect the territory under the jurisdiction of the other Government, will be the subject of consultation between the two Governments.

The Senator from Rhode Island proposes to add to that article "either prior to or subsequent to the taking of such measures." That clause undoubtedly refers to "consultation."

In a letter from the Secretary of State, dated Department of State, Washington, February 1, 1939, we find a communication relative to article X. It is a very important letter. We also find a reply to that letter by Augusto S. Boyd, Minister of Panama. I think it is appropriate at this time to have both letters in the RECORD and under consideration, as

the weight and effect of the letters are questioned by this amendment, and also by an amendment which will be offered by the junior Senator from Texas [Mr. CONNALLY].

I desire Senators to listen to this letter, so as to ascertain whether the minutes of interpretation preceded the making of the treaty or whether they were made as a part of the treaty. That fact will be determined by the letter of the Secretary of State and the reply of the Minister of Panama.

I desire a careful consideration of the wording of this letter.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Vermont?

Mr. PITTMAN. If the question is not too long. I want to read the letter.

Mr. AUSTIN. I merely wish to ask a question. What is the date of the letter the Senator is about to read?

Mr. PITTMAN. I am going to read the full letter, date and all.

The letter is as follows:

DEPARTMENT OF STATE,
Washington, February 1, 1939.

The Honorable Señor Dr. DON AUGUSTO S. BOYD,
Minister of Panama.

SIR: I have the honor to refer to the general treaty signed between the United States of America and the Republic of Panama on March 2, 1936, and to the record of the proceedings of the negotiations leading to this accord. As you may recall, on several occasions during the course of the negotiations, it was found necessary to discuss and to reach a mutual understanding as to the interpretation to be placed upon certain draft provisions eventually incorporated in the signed treaty. These discussions and understandings were, after each meeting, embodied in the duly attested typewritten record of the proceedings of the treaty negotiations.

It seems possible that, following the favorable report at the close of the last session of Congress by the Committee on Foreign Relations of the United States Senate on the general treaty and accompanying conventions, the individual Members of the Senate in their consideration during the current session of Congress of the treaty and conventions, may ask for clarification as to the precise meaning of certain important provisions of the general treaty which affect the security and neutrality of the Panama Canal. With a view to anticipating these inquiries, and in the hope of avoiding further delay on this account in the consideration of the general treaty of March 2, 1936, it has seemed to my Government advisable to set forth in an exchange of notes between our two Governments the substance of some of these above-mentioned understandings as mutually reached. I should be grateful, accordingly, if you would inform me whether your Government shares the understanding of my Government upon the points which follow in subsequent paragraphs.

1. In connection with the declared willingness of both the Government of the United States of America and the Government of the Republic of Panama to cooperate for the purpose of insuring the full and perpetual enjoyment of the benefits of all kinds which the Canal should afford them (art. I of the general treaty of March 2, 1936) the word "maintenance" as applied to the Canal shall be construed as permitting expansion and new construction when these are undertaken by the Government of the United States of America in accordance with the said treaty.

2. The holding of maneuvers or exercises by the armed forces of the United States of America in territory adjacent to the Canal Zone is an essential measure of preparedness for the protection of the neutrality of the Panama Canal and, when said maneuvers or exercises should take place, the parties shall follow the procedure set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 2, 1936.

3. As set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 16, 1935, in the event of an emergency so sudden as to make action of a preventive character imperative to safeguard the neutrality or security of the Panama Canal, and if by reason of such emergency it would be impossible to consult with the Government of Panama as provided in article X of said treaty, the Government of the United States of America need not delay action to meet this emergency pending consultation, although it will make every effort in the event that such consultation has not been effected prior to taking action to consult as soon as it may be possible with the Panamanian Government.

Accept, sir, the renewed assurances of my highest consideration.

CORDELL HULL.

I shall now read the letter of the Minister Plenipotentiary of the Republic of Panama:

LEGATION OF PANAMA,
Washington, February 1, 1939.

Mr. SECRETARY: I have the honor to refer to Your Excellency's valued communication of today's date with respect to the general treaty signed between the Governments of the Republic of Panama and of the United States of America March 2, 1936, and to the proceedings of the meetings held by the Commissioners of Panama and of the United States of America during the negotiations which preceded the signature of the said treaty. Your Excellency invites my attention to the fact that during the course of the negotiations and after discussion a mutual agreement was reached with regard to the interpretation to be given to certain provisions which eventually were incorporated in the treaty. Your Excellency states that these discussions and understanding were, after each meeting, embodied in the typewritten records of the proceedings.

You then give as your opinion that in view of [sic] the favorable report presented at the close of the last session of Congress by the Committee on Foreign Relations of the Senate of the United States of America on the general treaty and the various accompanying conventions, some Members of the Senate, during the debates with respect to the general treaty and the conventions in the present session of Congress, may ask for clarification as to the meaning of certain provisions of the general treaty affecting the security and neutrality of the Panama Canal. With a view to anticipating such an eventuality, and of avoiding new delays in the consideration of the general treaty of March 2, 1936, Your Excellency states that it seems advisable to your Government to effect an exchange of notes with my Government for the purpose of reiterating the interpretation given to certain points in the proceedings.

I take pleasure in informing Your Excellency that I have been authorized by my Government to effect this exchange of notes and to clarify the points propounded by Your Excellency, and which, for greater clarity, are set forth in the English language, as follows:

Then the three interpretations which have already been read are set out.

I avail myself of this occasion to renew to Your Excellency the assurances of my most distinguished consideration.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. PITTMAN. I will ask the Senator to permit me to finish this line; then I will yield. The minutes referred to are minutes adopted by the negotiators.

Mr. AUSTIN. Mr. President, will not the Senator yield for a question at that point?

Mr. PITTMAN. I yield to the Senator.

Mr. AUSTIN. I think that if the Senator will yield we will be more likely to arrive at an understanding of what the Senator is reading. The Senator has omitted something in the letter, and I am not aware of the part omitted. I, therefore, ask whether in the part omitted there is a reference to negotiations preceding occupation.

Mr. PITTMAN. I have left out nothing from the letter except what I will now read. When I read the first letter, I stated that I was leaving out minutes 1 and 2, because I was reading only minute No. 3, which deals with article X; but will read the first 2 minutes:

1. In connection with the declared willingness of both the Government of the United States of America and the Government of the Republic of Panama to cooperate for the purpose of insuring the full and perpetual enjoyment of the benefits of all kinds which the Canal should afford them (art. I of the general treaty of March 2, 1936), the word "maintenance" as applied to the Canal shall be construed as permitting expansion and new construction when these are undertaken by the Government of the United States of America in accordance with the said treaty.

2. The holding of maneuvers or exercises by the armed forces of the United States of America in territory adjacent to the Canal Zone is an essential measure of preparedness for the protection of the neutrality of the Panama Canal, and, when said maneuvers or exercises should take place, the parties shall follow the procedure set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 2, 1936.

I now read the third minute again:

3. As set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 16, 1935, in the event of an emergency so sudden as to make action of a preventive character imperative to safeguard the neutrality or security of the Panama Canal, and if by reason of such emergency it would be impossible to consult with the government of Panama as provided in article X of said treaty, the Government of the United States of America need not delay action to meet this emergency pending consultation, although it will make every effort in the event that such consultation has not been effected prior to taking action to consult as soon as it may be possible with the Panamanian Government.

I thought it was understood that I was leaving out minutes Nos. 1 and 2. Now they have been read into the RECORD;

and, so that there may be no misunderstanding, I will state that I have read to the Senate all of the letter of Minister Boyd, except that I did not read the 3 minutes. So that there may be no occasion for criticism, I will reread those 3 minutes:

1. In connection with the declared willingness of both the Government of the United States of America and the Government of the Republic of Panama to cooperate for the purpose of insuring the full and perpetual enjoyment of the benefits of all kinds which the Canal should afford them (art. I of the general treaty of March 2, 1936), the word "maintenance" as applied to the Canal shall be construed as permitting expansion and new construction when these are undertaken by the Government of the United States of America in accordance with the said treaty.

2. The holding of maneuvers or exercises by the armed forces of the United States of America in territory adjacent to the Canal Zone is an essential measure of preparedness for the protection of the neutrality of the Panama Canal and, when said maneuvers or exercises should take place, the parties shall follow the procedure set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 2, 1936.

3. As set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 16, 1935, in the event of an emergency so sudden as to make action of a preventive character imperative to safeguard the neutrality or security of the Panama Canal, and if by reason of such emergency it would be impossible to consult with the Government of Panama as provided in article X of said treaty, the Government of the United States of America need not delay action to meet this emergency pending consultation, although it will make every effort in the event that such consultation has not been effected prior to taking action to consult as soon as it may be possible with the Panamanian Government.

I avail myself of this occasion to renew to Your Excellency the assurances of my most distinguished consideration.

AUGUSTO S. BOYD, *Minister.*

Mr. President, every day during the drafting of the treaty the parties who adopted these minutes of interpretation were called negotiators. As a matter of fact, they were ministers plenipotentiary of the President of the United States and the President of Panama. They were not merely casual negotiators.

Let me now read what will show who these parties were and what authority they had. They were the agents of two Presidents who had authority to act. They were acting for the President of the United States and the President of Panama, not only in making the treaty, but every day while writing it they were also writing the interpretation of every clause which might seem ambiguous.

The President of the United States of America;

Mr. Cordell Hull, Secretary of State of the United States of America, and Mr. Sumner Welles, Assistant Secretary of State of the United States of America; and

The President of the Republic of Panama;

The Honorable Dr. Ricardo J. Alfaro, Envoy Extraordinary and Minister Plenipotentiary of Panama to the United States of America, and the Honorable Dr. Narciso Garay, Envoy Extraordinary and Minister Plenipotentiary of Panama on special mission;

Who, having communicated their respective full powers to each other, which have been found to be in good and due form, have agreed upon the following.

The agreement was the agreement of the President of the United States, who has the constitutional authority to make treaties, and the agreement of the President of Panama, and at the time the negotiators made the treaty, on behalf of the President of the United States and the President of Panama, they made these minutes of interpretation. Hearing this matter debated one would think these negotiators were some unauthorized persons who had taken this action. They were not; they were the Ministers Plenipotentiary of the President of the United States and the President of Panama.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. The Senator still leaves me without a convincing answer to this question: Why did they write a treaty which said, "We had to consult ahead of action," and write notes which said, "We could act ahead of consultation"? Why did they not say the same thing both times?

Mr. PITTMAN. Mr. President, the Senator knows as much about the drafting of treaties as does the Senator from Nevada, and in the little experience we have had with treaties, over a period of many years, we have discovered that it is exceedingly difficult, in making a treaty between two different governments which use different languages, to employ idioms which will give exact expression to what is meant.

My impression is that at the time article X was drawn the negotiators were considering normal times. I mean by that, there is no doubt whatever that it was understood that if the United States desired to make preparations for war in the territory of Panama, the United States should consult with Panama as to what it desired to do in the Panamanian territory. However, after that was decided, one of the drafters asked the question, "But assume that an emergency arises which requires immediate action before the representatives of the two governments can get together, before we can even consult with respect to what we want to do, then what shall we do?" The answer was simply, "Well, of course it is understood that in an emergency action must be taken, after which, if necessary, consultation will be had."

However, I revert to the question which has been raised by the junior Senator from Texas [Mr. CONNALLY] and by the Senator from Rhode Island [Mr. GERRY], for whose legal opinions I have the very highest regard. Both Senators contend that there is nothing before the Senate to disclose whether or not the ratifying body of Panama had these minutes before it and ratified the treaty in view of these interpretations, and that afterwards either Government might say, "Oh, no; we did not know anything about these minutes of interpretation." That, of course, is quite an appealing argument.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Nevada yield to the Senator from Texas?

Mr. PITTMAN. I yield.

Mr. CONNALLY. I understand the Senator's contention concerning these minutes and notes of interpretation. But let me ask the Senator a very practical question. Suppose after we shall have ratified the treaty an issue should arise as to what the treaty means; in all good conscience which would control—the letter which the minister wrote, the minutes of the negotiation, or the treaty, for there is a conflict between them? That is admitted. Where would we go and put our finger on a provision and say, "It is right here?" Would we go to the minutes?

Mr. PITTMAN. I will try to answer that question from my viewpoint. I think the rules of interpretation and construction of treaties are the same as the rules of construction and interpretation of contracts. In fact, a treaty is nothing but a contract between governments. If a contract is drawn between another party and myself, and the other party must sign the contract before I sign it, and there happens to be a clause in it which seems subject to misunderstanding, and after signing the contract he writes me a letter when he transmits the contract to me, and says, "I understand the purpose and effect of article X of this contract which I am signing, to be so and so," and in view of that letter of transmission and that construction of article X of the contract I am induced to sign it, and do sign it, that letter becomes a part of the contract for the purpose of future interpretation and construction, and the courts of our country have universally so held.

Mr. CONNALLY. Mr. President, will the Senator again yield?

Mr. PITTMAN. I yield.

Mr. CONNALLY. Of course, we recognize the rule that when the language of a contract is ambiguous some collateral writings may be considered. But here there is no claim of ambiguity, because the Secretary of Foreign Affairs says that article X means that there shall be prior consultation. He says that in his letter. Therefore it is not ambiguous. He says, however, "I am authorized by my government in effect to vary article X." But we are contending that since the Congress of Panama ratified the treaty more than 2 years previously, no one but the Congress of Panama can

authorize the foreign minister to change the terms of the treaty.

Let me say to the Senator from Nevada that the amendment I have offered simply incorporates the third paragraph in the letter written by the Foreign Minister, in his own language, and if that should be agreed to then there could not be any controversy, and it would be a very simple matter for the Panamanian Government to accept what they say already they are accepting.

Mr. PITTMAN. Let me proceed, then. My contention is that the language cannot be ambiguous. It does not say that before the United States Government shall occupy any portion of the territory of Panama for defense purposes the Government of the United States shall consult the Government of Panama. If it did say that, this interpretation might be considered as antagonistic. But it does not say that. It does not say whether the consultation shall take place before or after. It does not even say that there shall be a consultation, although it is thoroughly understood that there should be. What it says is—and I will read the language—"will be the subject of consultation between the two governments." That is the language. When is the consultation to occur? There is no time set for it. It is very well to have the minutes of interpretation by the makers of this treaty. They say that "consultation" ordinarily means before, but in case of emergency it means after, if necessary. That is what is said.

Mr. CONNALLY. Mr. President, will the Senator again yield?

Mr. PITTMAN. I yield.

Mr. CONNALLY. The Senator concedes that article X refers to consultation. Consultation about what?

Mr. PITTMAN. Concerning the use of the territory of Panama.

Mr. CONNALLY. Exactly, concerning the use of the territory and the use of the Army. Does it not inevitably follow that since the consultation has to do with the use of the territory and the use of the Army, the language contemplates that the consultation shall take place before the use is actually made?

Mr. PITTMAN. Not necessarily, because under article XXIII of the 1903 treaty, which has not been abrogated, the right of the United States Government is recognized at any time, without consultation with anyone, to occupy any territory in the vicinity for the defense of the Panama Canal.

Mr. CONNALLY. Let me ask another question, and then I shall not interrupt the Senator further. If article XXIII of the prior treaty controls why was article X put in the present treaty?

Mr. PITTMAN. Article X undoubtedly was put into the treaty for the purpose of giving the Panamanian Government some consideration, and it was perfectly proper to do so. The consideration given was that proposed action should be the subject of consultation. It did not in any sense of the word negative the absolute power of article XXIII under the 1903 treaty. The words "power of consultation" were contained in the treaty. There was nothing in it which indicated that the consultation should be before action. The makers of the pending Panama treaty wanted it so stated. So they said or indicated that the consultations should be before action, and our Government said, "Yes; unless an emergency arises." That is exactly what the language of the treaty means, and the drafters of the treaty have made it quite plain to everyone what it means.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. MINTON. Was not article X put in only for the purpose of establishing a status, and maintaining a status? In other words, the Panamanian Government wanted to maintain some semblance of sovereignty in the relationship between the two parties.

Mr. PITTMAN. It was put in, as is very plain to be seen, in the first place, for the purpose of binding the Government of Panama to cooperate in every possible way for the defense not only of the Panama Canal but of Panama. That is No. 1.

No. 2. It was put in, there can be no doubt, for the purpose, as I said before, of softening article XXIII of the 1903 treaty by providing that proposed action should be the subject of consultation. And in normal times consultation should be had before the United States acted in the territory of Panama. But there was nothing in the article which said whether the consultation should be before or after, until Panama insisted on the interpretation that it should be before, and the United States insisted it should not be before, if an emergency required the United States to act before consultation could be had. Then the Panama Government said, "If there is an emergency and you have to act before consultation, then you will consult after that as soon as possible."

Mr. President, that is as plain as day. I now go back to the amendment proposed by the Senator from Rhode Island. The Senator from Rhode Island desires to add at the end of article X—

Either prior to or subsequent to the taking of such measures.

That would change the entire intent of the article so far as the Government of Panama is concerned. That would leave the United States free from the necessity of consulting in advance of action at any time it does not want to do so. Panama wants it understood that the consultation is to be before action whenever it is possible. The United States wants it understood that consultation shall be had before action, except in case of emergency, and then action will be taken immediately, and the consultation will be had thereafter as soon as possible. The amendment would make impossible what Panama wants.

Those who advocate amendments say that we have no proof that the ratifying body of Panama, which I now understand is its assembly, had any knowledge of the minutes of interpretation which were made by the makers of the treaty, and that the assembly might afterward say, "We did not know anything about that." I say that when the Minister Plenipotentiary of Panama to this country, with full and general powers, represents to our Government that his Government ratified the treaty with certain understandings, we not yet having ratified it, if we ratify it under certain representations by the Minister of Panama, Panama is bound by those representations, because we have a right to accept representations by the Minister of Panama, who has plenipotentiary powers to deal with this Government. It is absurd to say that governments which communicate through their plenipotentiaries with general powers may not have accepted the representations of their ministers as to the acts of the governments.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. That being true, everybody, including the Panamanian Government, being in agreement as to what the language means, why is it in any degree offensive to the Panamanian Government to take the action proposed by the Senator from Texas [Mr. CONNALLY] and close the debate for keeps?

Mr. PITTMAN. I shall attempt to give my own view of the question. In the first place, the Assembly of Panama is in adjournment. It meets on the first Monday in September and will not meet again until 1940. If any amendment is placed in the treaty, either the treaty will be delayed until 1940 or there will have to be a special session of the Panamanian Assembly.

In the second place, such an amendment would be a clear indication that we do not trust the Government of Panama. A lack of trust in the Government of Panama would destroy one of the greatest advantages we would obtain from the treaty; that is, not merely the promise of cooperation by Panama but the wholehearted, friendly cooperation of Panama in the protection of the Panama Canal.

Mr. President, I am ready to close. On yesterday afternoon, having in mind the objection that we had no proof that the ratifying body of the Republic of Panama took into consideration the minutes and interpretations, I put the

matter up to the State Department. The Secretary of State has just transmitted to me two very important communications containing a decisive statement with regard to the objection that the ratifying body of Panama might not have had knowledge of the minutes of interpretation made by the makers of the treaty at the time the treaty was made. I shall read the communications:

JULY 25, 1939.

His Excellency Señor Dr. DON AUGUSTO S. BOYD,
Ambassador of Panama.

EXCELLENCY: I understand from the debate in the Senate of the United States yesterday on the treaties signed with Panama, March 2, 1936, that the question was raised as to whether the Assembly of Panama had the notes and minutes of the treaty negotiations before it at the time the treaties were considered and ratified by that body.

I shall thank you to advise me definitely as to whether the notes and minutes of the negotiations were before the Assembly of Panama and were thoroughly understood and considered by the Assembly in connection with its ratification of the aforesaid treaties.

Accept, Excellency, the renewed assurances of my highest consideration.

CORDELL HULL.

JULY 25, 1939.

His Excellency CORDELL HULL,
Secretary of State.

EXCELLENCY: I am in receipt of Your Excellency's note of this date in which you state that you understand from the debate in the Senate of the United States yesterday on the treaties with Panama signed March 2, 1936 that the question was raised whether the Assembly of Panama had the notes and minutes of the treaty negotiations before it at the time the treaties were considered and ratified by that body.

I think that the best answer I may give to Your Excellency is to transcribe textually in translation, law No. 37, of 1936, which was passed by our assembly on the 24th of December 1936, and which reads as follows:

"The National Assembly of Panama Decrees

"Only article: There are hereby approved and ratified in all their parts the General Treaty, the Radio Communications Convention, the Convention on the Transfer of the Stations of La Palma and Puerto Olbadía, and the Convention on the Trans-Isthmian Highway, signed in the city of Washington, March 2, 1936, by plenipotentiaries of the Governments of the Republic of Panama and of the United States of America, which is done taking into account the minutes and the exchanges of notes signed on the same date and which contain interpretations and explanations of certain important aspects of the general treaty and of the conventions aforementioned."

From the law quoted above Your Excellency will observe that the minutes and the notes were before the assembly, and were considered and understood by it at the same time that the assembly ratified the treaty and conventions above mentioned.

Accept, Excellency, the sentiments of my highest consideration.

AUGUSTO S. BOYD.

I think those communications put an end to the question.

Mr. GERRY. Mr. President, on yesterday when the treaty was under consideration by the Senate I was struck, as the debate developed, by the fact that the treaty was ratified by Panama in 1936 and that the correspondence between the Panamanian Government and our Secretary of State was dated in 1939. I was also impressed, as was the Senator from Michigan [Mr. VANDENBERG], with the fact that there was sufficient ambiguity in the treaty to cause our Secretary of State to deem it necessary to ask for further explanations.

I can well understand the point that when two governments are conducting negotiations through accredited representatives the representatives must have certain leeway, and that the conversations which took place during the negotiations, which conversations were taken down, would naturally have a bearing on the construction of the treaty.

I asked the chairman of the Foreign Relations Committee whether or not there was any evidence to show that the treaty had been ratified by the Panamanian Senate. I received no answer to that question. Today I learn from the statement submitted by the State Department that it was ratified by the assembly. Apparently under the laws of Panama, of which no one present seemed to have a wide knowledge, treaties of the Panamanian Government must be ratified by the assembly, which I presume includes both bodies, and not merely the senate. However, I have no information as to that question.

One of the main things which was bothering me was the fact that there was nothing in the record to show that the Panamanian ratifying body, in conjunction with the executive branch of the Panamanian Government, had before them the minutes of the meetings. I raised that point; and it has now been answered. It appears that the minutes were before the Assembly of Panama, and therefore the assembly had knowledge of the proceedings. That circumstance seems to me very strong evidence of the fact that the situation was pretty well understood; and in my opinion it takes away much from the force of the argument that the clarifying letters were written afterward.

Under these circumstances, and because of the fact that the Senator from Texas has offered what I consider to be a better amendment, I ask unanimous consent to withdraw my amendment. I will reserve final judgment, so far as my opinion is concerned, until I hear the debate further and certain other questions which are still puzzling me shall be cleared up in the debate.

Mr. CONNALLY obtained the floor.

Mr. JOHNSON of California. Mr. President——

Mr. CONNALLY. I will yield to the Senator from California but I should like to make a suggestion before he speaks.

Mr. GERRY. Mr. President, I have asked unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment offered by the Senator from Rhode Island is withdrawn.

Mr. CONNALLY. Mr. President, I offer an amendment to article X which I should like to have read at the desk. Then, I will yield the floor to the Senator from California.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas will be stated.

The CHIEF CLERK. It is proposed to add a new paragraph to article X of the treaty, as follows:

As set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 16, 1935, in the event of an emergency so sudden as to make action of a preventive character imperative to safeguard the neutrality or security of the Panama Canal, and if by reason of such emergency it would be impossible to consult with the Government of Panama as provided in article X of said treaty, the Government of the United States of America need not delay action to meet this emergency pending consultation, although it will make every effort in the event that such consultation has not been effected prior to taking action to consult as soon as it may be possible with the Panamanian Government.

Mr. CONNALLY. Mr. President, in explanation, I wish to say to Members of the Senate that the amendment which I offer simply adds to article X of the treaty paragraph 3 of the letter of the Foreign Minister of Panama upon which the chairman of the committee relies for what he thinks is the proper interpretation of article X. If this amendment should be adopted there could be no controversy because as soon as the Panamanian Government should agree to it, which they are bound to do because it is the language of their own Foreign Minister, it would elucidate and clear up this situation entirely.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. The result of the Senator's amendment would simply be to make the treaty actually say what the Senator from Nevada says it says, what the Panamanian Minister says it says, and what our Secretary of State says it says.

Mr. CONNALLY. Exactly.

Mr. PITTMAN. Mr. President, may I interrupt the Senator there?

Mr. CONNALLY. I yield.

Mr. PITTMAN. With the further suggestion that we doubt the word of our Secretary of State, we doubt the word of the Foreign Minister of Panama, and our action will necessitate

either delay for months in the reratification of the amendmen or cause the Government of Panama to call a special session of the congress of that country.

Mr. VANDENBERG. If the Senator from Texas will permit me, I do not doubt anybody's word, but I doubt the advisability of relying upon ambiguous language in international relationships.

Mr. CONNALLY. Mr. President, I have no hostility toward this treaty; I am favorable to the treaty. I am willing to pay Panama the rental of the Canal territory in the old 100-percent dollars, although that will cost us nearly $150,000 annually more than the treaty provides. I desire to deal justly and generously with Panama; but, at the same time, while dealing justly with Panama, I want to deal justly with the people of the United States whose canal is located on that territory, and I want to prevent any possible subsequent argument with Panama. Our contention is, and it is the contention of Panama, that article X as written requires prior consultation. The amendment, if adopted, will make it clear, because we adopt the language of the Panamanian Secretary of State. They cannot object to this amendment in the nature of a reservation.

The Senator from Nevada says that it will take several months because their Congress does not meet soon; but we have had this treaty in the Senate for a long while, and we have not shown any tendency to violate the speed laws in its consideration. So why should we quibble over a few months' delay in Panama? My prediction is, however, that if we agree to this amendment Panama will ratify it within 30 days. The Congress of Panama is not like the Congress of the United States, whose Members live thousands of miles apart. I dare say members of the Congress of Panama could all be reached by telephone or automobile within 30 minutes after this treaty, with the amendment, is ratified; and I predict when they get the assurance of the $150,000 additional payment every year they will ratify it very quickly for fear we will change our minds. I say that with all respect to Panama. They want the increased payment.

If there should be any consultation under article X of the treaty, which is admittedly, according to the statement of those who are advocating it, ambiguous, suppose we should go ahead. It is said that in an emergency we could go ahead and consult Panama later, but, then, probably, they would have a claim for damages for the injury to their territory by reason of military operations because we had not consulted them in advance. That is a possibility. They could say, "You did not consult us in advance; the treaty said you ought to do so, but you did not do it, and your army tramples down our grass and our coconut trees, and we want some damages." If, however, we put this amendment in the treaty, and agree particularly in their very own language, there can be no discussion; there can be no quibbles.

Let me suggest to Senators that if we here on the floor of the Senate disagree about the construction of this treaty and the negotiations incident to it, is it not possible that the Panamanians might disagree about it with us after the treaty has been ratified?

So I submit, Mr. President, the Senate should agree to this amendment, which sets forth the meaning of article X exactly in accordance with what the chairman of the Committee on Foreign Relations contends it means, and what the Panamanians say they are willing for it to mean, and which they say is not meant by the present article X, because the letter of the Panamanian Secretary of State says that consultation in advance is required by article X. The Foreign Minister of Panama has no more authority to change the action of the Congress of Panama in ratifying this treaty than has the Secretary of State of the United States to repeal a statute of the Congress of the United States.

I do not want to argue the matter further, but I submit this is a sane, fair adjustment of the whole question and removes every doubt whatever.

Mr. JOHNSON of California. Mr. President, the amendment of the Senator from Texas solves one question presented by this treaty. It seems to me to be perfectly ridiculous to contend that a treaty may be ratified in 1936 by the ratifying body of one signatory and in 1939 there may be added by the ratifying body of the other signatory a clarifying clause which will solve the difficulty of 1936. It would be like the Senate ratifying a treaty or not ratifying a treaty, and long afterward, when another Senate may have come into being or another one may be contemplated, having it ratify something that was done by the prior Senate or something done in times past which did not apply at all to the particular time in question.

Mr. President, the solving of this particular technical question is important, it is true; it goes to the heart of the very matter we are discussing; but there is something greater than that. Mr. President, can you not see that the Panama Canal is now completely under our jurisdiction? Always since its construction it has been under the power of the United States to do as it pleased in regard to the Panama Canal. And, Mr. President, do you not see that at this particular time of stress and crisis we are denying to the United States the absolute power that it has possessed up to this time and are whittling away a great portion of the power that was conferred by the original treaty? The pending treaty, first of all, abrogates the first clause of the old treaty of 1903, and it abrogates the succeeding clauses and provisions of that treaty and changes entirely the set-up of the Panama Canal. It is changed when we most need it, for we most need it today. I cannot for the life of me understand why we should be so ready for the Panamanians to change the power that we have exerted up to this time over the Panama Canal and today leave its control doubtful. I do not say that the treaty gives control absolutely to somebody else or to some other power, but it leaves the power of control doubtful at a time when we most need it and when it may be of most assistance to this country and to the other countries of the earth. So why do it? We do it, first of all, because we agree to give to the Panama Government $400,000 instead of $250,000 in round numbers. We give that, and we ought to give it, because the treaty originally obligated us to pay the sum in gold coin and in 100-percent dollars, and now we are tardily doing that justice to Panama. But we do it, too, because Panama insists that her citizens shall have all the commercial privileges of the Canal Zone and all of the business that shall be done there, and we are denying to American citizens the right to do business there. We do not permit them by this treaty to carry on their usual course of life. Why is it that we should now, 3 years after the treaty has been presented to the Senate, hurry its ratification? Why is it necessary right now, when fires are burning all over the earth, to say that the United States Government shall yield any part of its power over the Panama Canal?

I adjure you, my colleagues in the Senate, not to permit any part of the power that is ours over the Panama Canal to be taken away at this time, but to hang on to it for the safety of the United States and the protection of the world.

Mr. PITTMAN. Mr. President, I merely wish to call attention to the fact that I received this morning from the Minister of Panama a certificate of the resolution of ratification of the Assembly of the Legislature of the Republic of Panama on the 24th day of December 1936, which is set out textually. We do not have to rely on any subsequent correspondence.

Mr. LA FOLLETTE. Mr. President, I should like to say just a few words in connection with the amendment offered by the Senator from Texas [Mr. CONNALLY].

In the first place, I think we should bear in mind the fact that article XXIII of the treaty of 1903 is not in any way impaired by the ratification of this treaty.

In the second place, as the Senator from Nevada [Mr. PITTMAN] has just pointed out, we now are on official notice that these notes and interpretations were under consideration at the time this treaty was ratified by the Panamanian Government. Therefore I think it is clear that the interpretation contained in the notes is the interpretation which was

placed upon article X of the pending treaty by the Panamanian Government when it exercised its right under its constitution and ratified the treaty.

Mr. President, as I see it, the power of the Government of the United States to protect the Panama Canal is amply safeguarded in the treaty. The question is whether or not, by its ratification, we wish to cultivate and encourage the friendship of the Panamanian Government and its citizens. To my mind that is a very important consideration, because it seems to me to be perfectly clear that any possible designs upon the Canal which might eventuate in the future will not occur in the Canal Zone, which is completely under the control of the Government of the United States and under the surveillance of our military and naval intelligence. If it is conceivable that in the future some plans, in view of international developments, may result in efforts to sabotage or destroy the Canal, such plans will be formulated in the territory of Panama.

Believing that all of our rights and privileges essential to the protection of the Canal are retained and safeguarded by the treaty, I believe we should ratify it without reservation and without amendment, in order that we may encourage and develop the friendship of the Panamanian Government and of Panamanian citizens.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I do.

Mr. LUCAS. Does the Senator believe there is any conflict between the correspondence recently carried on between the Panamanian Government and the Secretary of State in regard to the treaty and the treaty itself, which was ratified by Panama back in 1936?

Mr. LA FOLLETTE. I personally see no conflict, because, as the Senator knows, the exchange of notes merely embodied the interpretative notes which were made at the time the treaty was negotiated; and we are now officially advised that at the time the Panamanian Government ratified the treaty those notes were before the Panamanian Assembly.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. LA FOLLETTE. I yield.

Mr. CONNALLY. Was the note of the foreign minister, dated February 1, 1939, before the Panamanian Parliament?

Mr. LA FOLLETTE. No; but the note of the Panamanian Minister, dated February 1, 1939, quotes verbatim the interpretative note written at the time the treaty and article X thereof were negotiated; and we now are officially advised that all of those notes and interpretations were before the Panamanian Parliament when it acted upon the treaty and ratified it.

Mr. LUCAS. Mr. President, were those notes and the treaty in front of the Panamanian Government when it wrote the clarification letter?

Mr. PITTMAN. Mr. President, let me read this letter to the Senator. He was not here when I presented it.

Mr. LA FOLLETTE. I yield.

Mr. PITTMAN. This is the letter, dated this morning, to the Secretary of State, from the Minister of Panama:

JULY 25, 1939.

EXCELLENCY:

I am in receipt of Your Excellency's note of this date in which you state that you understand from the debate in the Senate of the United States yesterday on the treaties with Panama signed March 2, 1936, that the question was raised whether the Assembly of Panama had the notes and minutes of the treaty negotiations before it at the time the treaties were considered and ratified by that body.

I think that the best answer I may give to Your Excellency is to transcribe textually, in translation, Law No. 37 of 1936, which was passed by our assembly on the 24th of December 1936, and which reads as follows:

This is the law of ratification:

"THE NATIONAL ASSEMBLY OF PANAMA

"DECREES

"Only article: There are hereby approved and ratified in all their parts the General Treaty, the Radio Communications Convention, the Convention on the Transfer of the Stations of La Palma and Puerto Olbadía, and the Convention on the Trans-Isthmian Highway, signed in the city of Washington, March 2, 1936, by plenipotentiaries of the Governments of the Republic of Panama and of the United States of America, which is done taking into account the minutes and the exchanges of notes signed on the same date, and which contain interpretations and explanations of certain important aspects of the General Treaty and of the conventions aforementioned."

That is the end of the law of ratification.

From the law quoted above, Your Excellency will observe that the minutes and the notes were before the assembly and were considered and understood by it at the same time that the assembly ratified the treaty and conventions above mentioned.

Accept, Excellency, the sentiments of my highest consideration.

AUGUSTO S. BOYD.

His Excellency CORDELL HULL,
Secretary of State.

Mr. LUCAS. Then, undoubtedly, the Panamanian Government, having in front of it the notes and the treaty entered into back in 1936, considered the clarification letter a part of the treaty and those notes.

Mr. LA FOLLETTE. Mr. President, as I have stated, it seems to me that every power essential and necessary to the defense of the Panama Canal is protected by the treaty; and it comes down to a simple question of whether or not, by the ratification of the treaty without reservation or amendment, we desire to cultivate and encourage the friendship of the Panamanian Government and its people toward the Government of the United States. For that reason, I hope that no amendment or reservation will be agreed to.

Mr. LUCAS. Mr. President, I should like to ask the Senator from Nevada one more question.

A moment ago the Senator from California [Mr. JOHNSON] made a very impassioned plea for nonratification of the treaty, and he indicated to me through that speech that the United States will lose some of its rights in the Panama Canal as a result of the ratification of the treaty. I do not believe that he fully explained what we shall lose as a result of ratification of the treaty, but I should like to have the Senator from Nevada reply to the implication or assertion which was made.

Mr. PITTMAN. That question has not been a serious one before the committee during the past 3 years. The treaty maintains the rights of all of the citizens of the United States who are now engaged in business in the Canal Zone. That is No. 1. It provides that United States citizens may engage in the sale of materials to the United States Government or to its employees or agents, soldiers, or others. It limits the amount of business which may be conducted in the Panama Canal Zone.

Mr. LUCAS. That is, it limits American citizens in the amount of business they may negotiate in the Canal Zone?

Mr. PITTMAN. Yes; in the Canal Zone.

Mr. LUCAS. At the present time there is no limitation on the amount of business they may transact?

Mr. PITTMAN. There is no limitation.

Mr. JOHNSON of California. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. JOHNSON of California. The treaty specifically supersedes article I of the convention of November 18, 1903. That is point No. 1 where we yield a power.

Thereafter in article II it insists that—

The United States of America hereby renounces the grant made to it in perpetuity by the Republic of Panama of the use, occupation, and control of lands and waters, in addition to those now under the jurisdiction of the United States of America.

That is point No. 2 where we yield a power.

The Senator can count up pretty high in the digits, if he desires, as to what is done in relation to the business at Panama, and he will see what is yielded.

Here is the ratification note of Cordell Hull dated March 2, 1936, which is couched in pleasant terms, and states:

With reference to section 1 of article III of the treaty signed today, wherein are specified the classes of persons to whom goods imported into the Canal Zone, or purchased, produced, or manufactured therein, may be sold by the Government of the United States

of America, I have the honor to confirm the understanding reached in the course of the recent negotiations, namely, that for the purposes of said section 1 of article III, the term "Officers, employees, workmen, or laborers in the service or employ of the United States of America," as it appears in section 2 (a) of said article III, is interpreted as referring exclusively to such persons whose services are related to the Panama Canal, the Panama Railroad Co., or their auxiliary works, and to duly accredited representatives of any branch of the Government of the United States of America exercising official duties within the Republic of Panama, including diplomatic and consular officers, and to members of their staffs.

Following that, I read a part of the statement given out by the representatives of Panama:

We wish to express our great pleasure at the statement made by the representatives of the Government of the United States of America during the negotiation of the treaty, that it is not the intention or desire of the Government of the United States of America to compete with Panamanian industry. We are also pleased to know with respect to the hotels—

Even the hotels—

in the Canal Zone that they were established for the purpose of meeting the necessities of the passenger traffic at a time when the hotels established in Panama were not entirely in position to do so; that as soon as this situation is satisfactorily altered the hotel business proper will be left in the hands of the industry established in Panama, and that the prosperity of the Republic of Panama in this, as in other respects, is earnestly desired by the United States of America.

We are carrying friendship pretty far in this treaty.

All through it run the indications that we will have nothing more to do with business in Panama. If an American has a business established in Panama, he is not permitted to transmit it to his offspring. It dies with him.

Mr. LUCAS. Does our Nation surrender any property rights under the treaty?

Mr. JOHNSON of California. No; the country does not. It is nationals of the country only who are affected in this way.

Mr. PITTMAN. We never gave any title to anyone in the Panama Canal Zone. Anyone who was doing business there was doing it by consent.

Mr. JOHNSON of California. No; we gave the God-given right of Americans to do business where they pleased and how they pleased, so far as they did it in a manner befitting Americans.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Texas [Mr. CONNALLY].

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER proceeded to put the question.

Mr. McNARY. Mr. President, I thought the ruling was that the yeas and nays had been ordered.

Mr. BARKLEY. Not on this amendment.

The PRESIDING OFFICER. The yeas and nays were ordered on the amendment offered by the Senator from Rhode Island [Mr. GERRY].

Mr. McNARY. I asked for the yeas and nays just a moment ago.

The PRESIDING OFFICER. An insufficient number seconded the request.

Mr. McNARY. Then I suggest the absence of a quorum, because I am satisfied that a sufficient number of Senators are in favor of having the yeas and nays taken.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Guffey	Lucas
Andrews	Capper	Gurney	McCarran
Ashurst	Chavez	Hale	McKellar
Austin	Clark, Idaho	Hatch	McNary
Bailey	Clark, Mo.	Hayden	Maloney
Bankhead	Connally	Herring	Mead
Barbour	Danaher	Hill	Miller
Barkley	Davis	Holman	Minton
Bilbo	Downey	Hughes	Neely
Bone	Ellender	Johnson, Calif.	Norris
Borah	Frazier	Johnson, Colo.	Nye
Bridges	George	King	O'Mahoney
Brown	Gerry	La Follette	Overton
Bulow	Gibson	Lee	Pepper
Burke	Gillette	Lodge	Pittman
Byrd	Green	Logan	Radcliffe
Reed	Sheppard	Tobey	Walsh
Russell	Smathers	Truman	Wheeler
Schwartz	Taft	Vandenberg	White
Schwellenbach	Thomas, Utah	Wagner	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY].

Mr. McNARY. Upon that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. Is the vote on the Connally amendment?

The PRESIDING OFFICER. The vote is on the Connally amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LUCAS. I announce that my colleague [Mr. SLATTERY] is unavoidably detained from the Senate. If present he would vote "nay."

Mr. GREEN (after having voted in the negative). I have a pair with the Senator from Wisconsin [Mr. WILEY]. I transfer that pair to the Senator from Illinois [Mr. SLATTERY], and allow my vote to stand.

Mr. McNARY (after having voted in the affirmative). I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who I observe is absent from the Senate. I transfer that pair to the senior Senator from Delaware [Mr. TOWNSEND] and let my vote stand.

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] and the Senator from South Carolina [Mr. SMITH] are detained from the Senate because of illness in their families.

The Senator from Ohio [Mr. DONAHEY] is unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the Senator from West Virginia [Mr. HOLT], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are absent on important public business.

The Senator from Montana [Mr. MURRAY] is detained in a conference at the White House.

The Senator from Tennessee [Mr. STEWART] is detained in one of the Government departments.

Mr. SHIPSTEAD. I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am not informed how he would vote on this question if he were present. I therefore withhold my vote. If at liberty to vote, I should vote "nay."

The result was announced—yeas 30, nays 49, as follows:

YEAS—30

Austin	Danaher	Johnson, Calif.	Reed
Bailey	Davis	Johnson, Colo.	Sheppard
Barbour	Frazier	King	Taft
Bridges	Gerry	Lodge	Tobey
Burke	Gibson	McKellar	Vandenberg
Byrd	Gurney	McNary	White
Clark, Mo.	Hale	Miller	
Connally	Holman	Nye	

NAYS—49

Adams	Clark, Idaho	Lee	Radcliffe
Andrews	Downey	Logan	Russell
Ashurst	Ellender	Lucas	Schwartz
Bankhead	George	McCarran	Schwellenbach
Barkley	Gillette	Maloney	Smathers
Bilbo	Green	Mead	Thomas, Utah
Bone	Guffey	Minton	Truman
Borah	Hatch	Neely	Wagner
Brown	Hayden	Norris	Walsh
Bulow	Herring	O'Mahoney	Wheeler
Byrnes	Hill	Overton	
Capper	Hughes	Pepper	
Chavez	La Follette	Pittman	

NOT VOTING—17

Caraway	Lundeen	Smith	Van Nuys
Donahey	Murray	Stewart	Wiley
Glass	Reynolds	Thomas, Okla.	
Harrison	Shipstead	Townsend	
Holt	Slattery	Tydings	

So Mr. CONNALLY'S amendment was rejected.

The PRESIDING OFFICER. The treaty is still before the Senate and open to amendment. If there be no further amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive B, Seventy-fourth Congress, second session, a general treaty between the United States of America and the Republic of Panama, signed at Washington on March 2, 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification.

Mr. JOHNSON of California. On that question I ask for the yeas and nays.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. An amendment was offered yesterday by the Senator from Rhode Island [Mr. GERRY].

The PRESIDING OFFICER. The amendment was withdrawn.

The Chair is informed that if there are reservations to be made to the treaty they must be made at this time. If there be no reservations, the question is on agreeing to the resolution of ratification.

Mr. JOHNSON of California. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present and voting he would vote "yea." If permitted to vote I should vote "nay."

The roll call was concluded.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. I inquire if my colleague [Mr. SLATTERY] is paired?

The PRESIDING OFFICER. The Chair is informed that there is no information at the desk on that question.

Mr. LUCAS. My colleague is unavoidably detained. If present he would vote "yea."

Mr. MINTON. I announce that the Senator from Arkansas [Mrs. CARAWAY], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are absent on important business. I am advised that if present and voting these Senators would vote "yea."

The Senator from Ohio [Mr. DONAHEY] and the Senator from West Virginia [Mr. HOLT] are unavoidably detained.

The Senator from North Carolina [Mr. REYNOLDS] and the Senator from South Carolina [Mr. SMITH] are detained from the Senate because of illness in their families.

The Senator from Minnesota [Mr. LUNDEEN] is absent on important public business.

The result was announced—yeas 65, nays, 16, as follows:

YEAS—65

Adams	Clark, Mo.	La Follette	Radcliffe
Andrews	Connally	Lee	Russell
Ashurst	Downey	Logan	Schwartz
Bailey	Ellender	Lucas	Schwellenbach
Bankhead	George	McCarran	Sheppard
Barkley	Gerry	McKellar	Smathers
Bilbo	Gibson	Maloney	Stewart
Bone	Gillette	Mead	Thomas, Utah
Borah	Green	Miller	Truman
Brown	Guffey	Minton	Van Nuys
Bulow	Hatch	Murray	Wagner
Burke	Hayden	Neely	Walsh
Byrd	Herring	Norris	Wheeler
Byrnes	Hill	O'Mahoney	White
Capper	Hughes	Overton	
Chavez	Johnson, Colo.	Pepper	
Clark, Idaho	King	Pittman	

NAYS—16

Austin	Frazier	Johnson, Calif.	Reed
Barbour	Gurney	Lodge	Taft
Bridges	Hale	McNary	Tobey
Danaher	Holman	Nye	Vandenberg

NOT VOTING—15

Caraway	Harrison	Shipstead	Townsend
Davis	Holt	Slattery	Tydings
Donahey	Lundeen	Smith	Wiley
Glass	Reynolds	Thomas, Okla.	

The PRESIDING OFFICER. Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

PANAMA—CONVENTION REGARDING THE CONSTRUCTION OF A TRANS-ISTHMIAN HIGHWAY

Mr. PITTMAN. Mr. President, there are three collateral conventions on the calendar. In view of the vote, I do not think there will be any debate over any of them. One of them is with regard to building a road across the Isthmus of Panama. The second is with regard to conforming to the radio convention providing for the regulation of radio communications. The third is a convention transferring certain radio stations to Panama.

I ask that Calendar No. 8, the convention regarding the construction of a trans-Isthmian highway, be laid before the Senate.

Mr. WHITE. Mr. President, I have no objection to the convention regarding the construction of a trans-Isthmian highway. However, I wish to take a moment to express my opposition to the conventions dealing with the radio situation.

Mr. PITTMAN. That is the reason why I asked for the consideration of the highway convention first. I did not know of any objection to it.

Mr. McNARY. Mr. President, I reserve the right to object if consideration of the convention leads to any debate.

Mr. KING. Mr. President, may I ask the Senator a question?

Mr. PITTMAN. Certainly.

Mr. KING. Under the terms of the convention, is there any obligation on the part of the United States to construct a road?

Mr. PITTMAN. There is not.

Mr. KING. Or is it merely permissive?

Mr. PITTMAN. The convention grants permission to build a road.

The PRESIDING OFFICER. Is there objection to the present consideration of the treaty?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the convention, Executive E (74th Cong., 2d sess.), a convention between the United States of America and the Republic of Panama, with regard to the construction of a trans-Isthmian highway between the cities of Panama and Colon, signed at Washington on March 2, 1936, which was read the second time, as follows:

HIGHWAY BETWEEN PANAMA AND COLON

The United States of America and the Republic of Panama, in order to arrange for the completion of a highway between the cities of Panamá and Colón through territory under their respective jurisdictions, hereinafter referred to as the Trans-Isthmian Highway, have resolved to conclude a Convention for that purpose and have appointed as their Plenipotentiaries:

The President of the United States of America:

Mr. Cordell Hull, Secretary of State of the United States of America, and Mr. Sumner Welles, Assistant Secretary of State of the United States of America; and

The President of the Republic of Panama:

The Honorable Doctor Ricardo J. Alfaro, Envoy Extraordinary and Minister Plenipotentiary of Panama to the United States of America, and The Honorable Doctor Narciso Garay, Envoy Extraordinary and Minister Plenipotentiary of Panama on special mission;

Who, having communicated to each other their respective full powers, which have been found to be in good and due form, have agreed upon the following:

ARTICLE I

In order to make possible the completion of the Trans-Isthmian Highway, the Government of the United States of America undertakes to obtain such waiver from the Panama Railroad Company of its exclusive right to establish roads across the Isthmus of Panama as is necessary to enable the Government of the Republic of Panama to construct a highway from a point on the boundary of the Madden Dam area at Alhajuela to a point on the boundary of the Canal Zone near Cativá.

ARTICLE II

As a contribution to the completion of the Trans-Isthmian Highway, the United States of America will construct without delay and at its own expense that portion of the Highway between the Canal Zone boundary near Cativá and a junction with the Fort Randolph

Road near France Field, which portion shall thereafter be maintained by the Republic of Panama at its own expense.

ARTICLE III

Prior to the undertaking of further construction on the Trans-Isthmian Highway, each Government will appoint an equal number of representatives, who will constitute a joint board with authority to adjust questions of detail regarding the location, design and construction of the portions of the Highway falling under the jurisdiction of each Government. Questions of detail on which the board may fail to reach an agreement will be referred to the two Governments for settlement.

ARTICLE IV

The sections of the Trans-Isthmian Highway which are to be constructed by each Government shall have the following minimum characteristics:

(*a*) *Pavement.*—Concrete; normal width 18 feet, suitably widened on curves of 5 degrees or sharper; of the thickened edge type of 9" – 7" – 9" section, with proper reinforcement with steel in accordance with good practice; provision for suitable longitudinal and transverse joints, sealed with an asphalt filler, and with adjacent slabs properly doweled.

(*b*) *Gradients.*—maximum 8 percent.

(*c*) *Curves.*—maximum 12 degrees, properly superelevated and suitably widened pavement when of 5 degrees or sharper.

(*d*) *Bridges and Culverts.*—to be two-way, of a width of 20 feet; of capacity to carry live loads equivalent to 20-ton truck with 14 tons on rear axle and 6 tons on front axle; and so located and of such span or size as to afford adequate drainage under maximum flow.

(*e*) *Right of Way.*—to be of ample width to accommodate the pavement plus 4-foot berms and drainage ditches and to provide for suitable slopes in cuts and fills; the right to be reserved to each of the two Governments to install and use telegraph and telephone lines of either pole line construction or underground cable construction in that part of the Trans-Isthmian Highway subject to the jurisdiction of the other Government.

ARTICLE V

The portions of the Trans-Isthmian Highway which the two Governments undertake to construct according to the provisions of this Convention will be completed within a period of ten years after the entrance into force of the Convention. The two Governments will consult with each other with a view to coordinating the construction of the two portions of the highway so far as may be feasible in order that the usefulness of one portion may not be unduly impaired by a failure to complete the other portion.

ARTICLE VI

The United States of America and the Republic of Panama shall maintain in a good state of repair at all times the portions of the Trans-Isthmian Highway within their respective jurisdictions.

ARTICLE VII

Subject to the laws and regulations relating to vehicular traffic in force in their respective jurisdictions the United States of America and the Republic of Panama shall enjoy equally the use of the Trans-Isthmian Highway.

ARTICLE VIII

The present Convention shall be ratified in accordance with the constitutional methods of the High Contracting Parties and shall take effect immediately on the exchange of ratifications which shall take place at Washington.

IN WITNESS WHEREOF, the Plenipotentiaries have signed this Convention in duplicate in the English and Spanish languages, both texts being authentic, and have hereunto affixed their seals.

DONE at the city of Washington the second day of March, 1936.

[SEAL] CORDELL HULL.
[SEAL] SUMNER WELLES.
[SEAL] R. J. ALFARO.
[SEAL] NARCISO GARAY.

The PRESIDING OFFICER. The convention is before the Senate and open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E, Seventy-fourth Congress, second session, a convention between the United States of America and the Republic of Panama with regard to the construction of a Trans-Isthmian Highway between the cities of Panama and Colon, which was signed at Washington on March 2, 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to and the convention is ratified.

PANAMA—RADIO CONVENTIONS

Mr. PITTMAN. Mr. President, it has been indicated by the Senator from Maine [Mr. WHITE] that he wishes to discuss the radio conventions. Therefore, in consideration of the fact that I know the Senator from Kentucky [Mr. BARKLEY] desires to return to a bill which is pending in legislative session, I shall not at this time urge consideration of those conventions.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate proceeded to the consideration of legislative business.

WAGES UNDER WORK PROJECTS ADMINISTRATION

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the RECORD at this point an editorial from the Bridgeport Times-Star referring to the matter of a cut in security wages under the W. P. A., and a telegram on the subject of the W. P. A. bill which I received from Mayor George J. Coyle, of New Britain, Conn.

There being no objection the editorial and telegram were ordered to be printed in the RECORD, as follows:

[From the Bridgeport Times-Star of July 22, 1939]

MALONEY ON W. P. A. WAGES

Connecticut Senator MALONEY is apparently on solid ground when he tells his colleagues at Washington that the W. P. A. intends to interpret one of the sections of the new relief act as instruction to raise the rate of W. P. A. wages in the South and lower those in the North and West.

The section in question directs that geographical differentials in the W. P. A. monthly security wage shall be equalized, insofar as is harmonious with living costs.

W. P. A. authorities are apparently preparing to pay little heed to the difference in living costs between the North and South, and to proceed, on September 1, to the elimination of geographical differences in the W. P. A. wage.

This will mean that the W. P. A. wage in the South is raised and that, to make this possible without adding to the cost of the entire W. P. A. national pay roll, the W. P. A. wage in the North and West will be dropped.

It would be an error for the North to regard this as a sectional battle—as Senator Maloney does—if it were not for the fact that the South itself began it as a sectional battle. Regardless of living costs, southern Members of Congress wanted southern W. P. A. wages raised to the level of northern wages, and this section of the new relief act is a direct result of their strategical stranglehold upon Congress.

We in the North know that the monthly security wage in effect on the W. P. A. here is no more than that—that it barely provides subsistence for those families who have to rely upon it.

The object of the southern bloc in Congress was to make the standard of living on the W. P. A. in the South better and higher than it is in the North. That would be inevitable, if wages are equalized.

Senator MALONEY holds that W. P. A. Commissioner Harrington doesn't have to interpret this section of the bill as a direct order to equalize wages at the expense of the North. He holds that the present northern rate of pay represents the absolute minimum for maintenance of a bare living standard.

We hope he is right legally; we know he is right morally and practically. His colleagues of the North and West should rally round him in his stand.

NEW BRITAIN, CONN., *July 24, 1939.*

Senator FRANCIS T. MALONEY,
Senate Office Building, Washington, D. C.:

Press reports indicate that Senator MURRAY, of Montana, will offer amendment to Relief Act to restore employment to 650,000 W. P. A. workers. As mayor of New Britain I respectfully urge you to support the proposed amendment or to offer one of your own in order that thousands of our people may continue to eat. Situation may become desperate if immediate restoration of employment is not effected.

Mayor GEORGE J. COYLE.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution of the San Francisco County (Calif.) Council of Labor's Nonpartisan League favoring the repeal of recently enacted legislation affecting the hours and wages of W. P. A. workers and the enactment of legislation restoring certain bene-

fits to workers under the W. P. A., which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of Ellis Jirous Post No. 53, American Legion, of Perry, Okla., favoring the enactment of legislation to grant a service pension to all veterans of the World War and to all widows and other eligible dependents of deceased veterans of such war, which was referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a petition from the New York State Federation of Post Office Clerks praying for the prompt enactment of legislation to grant sick and vacation privileges to substitute employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

W. P. A. RELIEF WORK

Mr. WALSH. Mr. President, I present a letter embodying a resolution from the general board of the Brotherhood of Shoe and Allied Craftsmen, urging the Senate to take action to modify the Work Relief and Relief Act of 1940, so that heads of families and workers over 45 years of age may be exempt from this act. I ask that this letter or petition be printed in the CONGRESSIONAL RECORD and appropriately referred.

There being no objection, the letter, in the nature of a petition, was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

BROTHERHOOD OF SHOE AND ALLIED CRAFTSMEN,
Brockton, Mass., July 21, 1939.

The Honorable DAVID I. WALSH,
The United States Senate, Washington, D. C.

DEAR SIR: The general board of the Brotherhood of Shoe and Allied Craftsmen at its meeting held on July 17, 1939, has requested me to inform you of its position in regard to the Emergency Relief Appropriation Act of 1939 as many of the brotherhood's 12,000 membership are directly affected by the above-mentioned act. At this meeting the general board unanimously adopted the following resolution:

Whereas the Brotherhood of Shoe and Allied Craftsmen is convinced that the right to work is a fundamental human liberty and is unalterably opposed to the substitution of public dole for public work; and

Whereas section 16 (b) of the Emergency Relief Appropriation Act of 1939 provides for the laying off by September 1, 1939, of all W. P. A. relief workers who have been continuously employed for 18 months, which, in our opinion, will bring great suffering to thousands of such workers who have no other means of sustenance: Therefore, be it

Resolved, That we, the Brotherhood of Shoe and Allied Craftsmen, hereby request that you bring before the Senate at once a bill designed to modify this act so that heads of families and workers over 45 years of age be exempted from this section of the act.

We trust that those workers who because of their inability to obtain employment in private industry are forced to depend upon W. P. A. relief work to support themselves and their families will receive your full cooperation as requested in the above resolution.

Very truly yours,

BROTHERHOOD OF SHOE AND ALLIED CRAFTSMEN,
By WALTER V. RISLEY, *General President.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 4732. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to George M. Corriveau;

H. R. 4733. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Laura T. Corriveau;

H. R. 5405. An act authorizing the installation of parking meters and other devices on the streets of the District of Columbia, and for other purposes;

H. R. 5685. An act to amend the act of Congress entitled "An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a real estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes," approved August 25, 1937;

H. R. 6266. An act providing for the incorporation of certain persons as Group Hospitalization, Inc.;

H. R. 7086. An act to provide for insanity proceedings in the District of Columbia;

H. R. 7320. An act to amend the District of Columbia Revenue Act of 1939, and for other purposes;

H. J. Res. 340. Joint resolution providing that the farmers' market in blocks 354 and 355 in the District of Columbia shall not be used for other purposes; and

H. J. Res. 367. Joint resolution to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes.

REPORTS OF COMMITTEES

Mr. RUSSELL, from the Committee on Immigration, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 3215. An act to amend the act of March 2, 1929 (45 Stat. 536) (Rept. No. 916);

H. R. 4100. An act to amend the naturalization laws in relation to an alien previously lawfully admitted into the United States for permanent residence and who is temporarily absent from the United States solely in his or her capacity as a regularly ordained clergyman or representative of a recognized religious denomination or religious organization existing in the United States (Rept. No. 917); and

H. R. 6724. An act to provide for the prompt deportation of aliens engaging in espionage or sabotage, alien criminals, and other undesirable aliens (Rept. No. 918).

Mr. BARKLEY, from the Committee on Finance, to which was referred the bill (S. 2712) to amend section 2803 (c) of the Internal Revenue Code, reported it with amendments and submitted a report (No. 919) thereon.

Mr. GEORGE, from the Committee on Finance, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 134. A bill providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability while in the service of the United States during the World War, and for other purposes (Rept. No. 939);

S. 2866. A bill to provide for allowance of expenses incurred by Veterans' Administration beneficiaries and their attendants in authorized travel for examination and treatment (Rept. No. 920); and

S. 2867. A bill to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the Pennsylvania Railroad Co., for right-of-way purposes, a small strip of land at Veterans' Administration facility, Coatesville, Pa. (Rept. No. 921).

Mr. CLARK of Missouri, from the Committee on Finance, to which was referred the bill (H. R. 5450) to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed, reported it without amendment and submitted a report (No. 922) thereon.

Mr. JOHNSON of Colorado, from the Committee on Finance, to which was referred the bill (H. R. 6268) to authorize the Commissioner of Internal Revenue to make certain allowances for losses by leakage and evaporation upon withdrawal of packages of brandy or fruit spirits under certain conditions, reported it without amendment and submitted a report (No. 923) thereon.

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 6479) amending section 2857 of the Distilled Spirits Act, reported it with an amendment to the title and submitted a report (No. 924) thereon.

Mr. GUFFEY, from the Committee on Finance, to which was referred the bill (H. R. 6555) to amend the act of March 28, 1928 (45 Stat. 374), as amended, relating to the advance of funds in connection with the enforcement of acts relating to narcotic drugs, so as to permit such advances in connection with the enforcement of the Marihuana Tax Act of 1937, and to permit advances of funds in connection with

the enforcement of the customs laws, reported it without amendment and submitted a report (No. 925) thereon.

Mr. KING, from the Committee on Finance, to which was referred the bill (H. R. 6556) to provide for the seizure and forfeiture of vessels, vehicles, and aircraft used to transport narcotic drugs, firearms, and counterfeit coins, obligations, securities, and paraphernalia, and for other purposes, reported it without amendment and submitted a report (No. 926) thereon.

Mr. BYRD (for Mr. BARKLEY), from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 183) authorizing the Librarian of Congress to return to Williamsburg Lodge, No. 6, Ancient Free and Accepted Masons, of Virginia, the original manuscript of the record of the proceedings of said lodge, reported it without amendment.

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (S. 628) to allow the Home Owners' Loan Corporation to extend the period of amortization of home loans from 15 to 25 years, reported it with amendments and submitted a report (No. 927) thereon.

He also, from the same committee, to which was referred the bill (S. 844) to simplify the accounts of the Treasurer of the United States, and for other purposes, reported it without amendment and submitted a report (No. 928) thereon.

Mr. MALONEY, from the Committee on Immigration, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2355. A bill for the relief of Benno von Mayrhauser and Oskar von Mayrhauser (Rept. No. 932); and

S. 2492. A bill for the relief of Dane Goich (Rept. No. 933).

Mr. MAHONEY also, from the Committee on Immigration, to which was referred the bill (S. 2598) for the relief of Kurt Wessely, reported it with an amendment and submitted a report (No. 934) thereon.

Mr. ANDREWS, from the Committee on Immigration, to which was referred the bill (S. 2030) for the relief of Mira Friedberg (Mira Dworecka), reported it with amendments and submitted a report (No. 935) thereon.

Mr. SMATHERS, from the Committee on Immigration, to which was referred the joint resolution (S. J. Res. 37) for the relief of Kam N. Kathju, reported it with an amendment and submitted a report (No. 936) thereon.

Mr. LA FOLLETTE, from the Committee on Finance, to which was referred the resolution (S. Res. 160) directing the Tariff Commission to investigate certain facts concerning domestic productions and importations of wood pulp or pulpwood (submitted by Mr. BORAH on July 12, 1939), reported it with an amendment and submitted a report (No. 938) thereon.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 3409) to amend the act of June 15, 1936 (49 Stat. 1516), authorizing the extension of the boundaries of the Hot Springs National Park, in the State of Arkansas, and for other purposes, reported it with amendments and submitted a report (No. 940) thereon.

Mr. PEPPER, from the Committee on Commerce, to which was referred the bill (H. R. 4306) to make the United States Coast Guard Academy library a public depository for Government publications, reported it without amendment and submitted a report (No. 941) thereon.

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (S. 2859) to perfect the consolidation of the Lighthouse Service with the Coast Guard by authorizing the commissioning, appointment, and enlistment in the Coast Guard of certain officers and employees of the Lighthouse Service, and for other purposes, reported it with amendments and submitted a report (No. 942) thereon.

He also, from the same committee, to which was referred the bill (H. R. 6273) to exempt certain motorboats from the operation of sections 4 and 6 of the Motor Boat Act of June 9, 1910, and from certain other Acts of Congress, and to provide that certain motorboats shall not be required to carry on board copies of the pilot rules, reported it without amendment and submitted a report (No. 943) thereon.

Mr. LEE, from the Committee on Commerce, to which was referred the bill (H. R. 3224) creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, La., and Vicksburg, Miss., reported it with amendments and submitted a report (No. 944) thereon.

Mr. HUGHES, from the Committee on Immigration, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 166. A bill for the relief of Nathan Kaplan (Rept. No. 929);

S. 1510. A bill for the relief of George Louis Artick (Rept. No. 930);

S. 1617. A bill for the relief of John Nicholas Chicouras (Rept. No. 948); and

S. 2427. A bill authorizing the naturalization of John Ullmann, Jr. (Rept. No. 931).

Mr. STEWART, from the Committee on Immigration, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1870. A bill for the relief of Dionis Moldowan (Rept. No. 951); and

S. 2830. A bill to provide for the registration of aliens (Rept. No. 937).

Mr. CAPPER, from the Committee on Immigration, to which was referred the bill (S. 2527) for the relief of Mary Nouhan, reported it without amendment and submitted a report (No. 949) thereon.

Mr. SCHWELLENBACH, from the Committee on Immigration, to which were referred the following bills, reported them each without amendment and submitted a report thereon as indicated:

S. 1326. A bill for the relief of Janet Hendel, nee Judith Shapiro (Rept. No. 946); and

H. R. 5056. A bill for the relief of Nicholas Contopoulos.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2277. A bill for the relief of Nicholas Contopoulos (Rept. No. 952); and

H. R. 6435. A bill to authorize cancelation of deportation in the case of Louise Wohl (Rept. No. 947).

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the bill (S. 1110) to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended, reported it with an amendment and submitted a report (No. 950) thereon.

INVESTIGATION OF IMMIGRATION PROBLEM—REPORT OF A COMMITTEE

Mr. HOLMAN, from the Committee on Immigration, to which was referred the resolution (S. Res. 168) providing for an investigation of the immigration of aliens into the United States (submitted by Mr. HOLMAN on July 21, 1939), reported it with an amendment, submitted a report (No. 945) thereon, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ADDITIONAL COPIES OF RULES AND NOTES OF CIVIL PROCEDURE FOR DISTRICT COURTS

Mr. HAYDEN. From the Committee on Printing I report back favorably, without amendment, Senate resolution 162, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 162), submitted by Mr. ASHURST on July 13, 1939, was considered and agreed to, as follows:

Resolved, That House Document No. 460, Seventy-fifth Congress, third session, entitled "Rules of Civil Procedure for the District Courts of the United States," and House Document No. 588, Seventy-fifth Congress, third session, entitled "Notes to the Rules of the Civil Procedure for the District Courts of the United States,"

be printed in one volume with an index and bound, as may be directed by the Joint Committee on Printing; and that 550 additional copies shall be printed, of which 100 copies shall be for the use of the Senate and 450 copies for the use of the House of Representatives.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 2880. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of R. Brinskelle and Charlie Melcher; to the Committee on Claims.

By Mr. BROWN:

S. 2881. A bill for the relief of Elsie D. Frayer; to the Committee on Finance.

S. 2882. A bill for the relief of Julius Porath;

S. 2883. A bill for the relief of Daniel Steele;

S. 2884. A bill for the relief of Glen E. Robinson, doing business as the Robinson Marine Construction Co.; and

S. 2885. A bill for the relief of Glen E. Robinson, doing business as the Robinson Marine Construction Co.; to the Committee on Claims.

S. 2886. A bill to vest absolute in the City of Dearborn, Wayne County, Mich., the title to lot 19 of Detroit Arsenal grounds subdivision, Wayne County, Mich.; to the Committee on Public Lands and Surveys.

S. 2887 (by request). A bill to amend section 2169, United States Revised Statutes, being title 8, section 359, United States Code; to the Committee on Immigration.

S. 2888 (by request). A bill to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes"; to the Committee on Military Affairs.

By Mr. GILLETTE:

S. 2889. A bill to provide for the gratuitous distribution of the CONGRESSIONAL RECORD to certain radio correspondents; to the Committee on Printing.

By Mr. WALSH:

S. 2890. A bill to permit per diem employees of the Naval Establishment to work more than 8 hours per day under certain circumstances; and

S. 2891. A bill to amend the act of October 6, 1917, "An act to provide for the reimbursement of officers, enlisted men, and others in the naval service of the United States for property lost or destroyed in such service"; to the Committee on Naval Affairs.

By Mr. BAILEY:

S. 2892. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Commerce.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, as indicated below:

H. R. 4732. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to George M. Corriveau;

H. R. 4733. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Laura T. Corriveau;

H. R. 6266. An act providing for the incorporation of certain persons as Group Hospitalization, Inc.;

H. R. 7086. An act to provide for insanity proceedings in the District of Columbia;

H. R. 7320. An act to amend the District of Columbia Revenue Act of 1939, and for other purposes;

H. J. Res. 340. Joint resolution providing that the farmers' market in blocks 354 and 355 in the District of Columbia shall not be used for other purposes; to the Committee on the District of Columbia; and

H. J. Res. 367. Joint resolution to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes; to the Committee on Foreign Relations.

FLOOD CONTROL—AMENDMENT

Mr. SHEPPARD and Mr. MINTON each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 6634) amending previous flood-control acts, and authorizing certain preliminary examinations and surveys for flood control, and for other purposes, which were ordered to lie on the table and to be printed.

MOTION TO DISCHARGE COMMITTEE STRICKEN FROM CALENDAR

Mr. NEELY. Mr. President, under the heading of "Subjects on the Table," in the calendar of business of the Senate, appears the following:

Motion of the Senator from West Virginia [Mr. NEELY] to discharge the Committee on Interstate Commerce from further consideration of Senate bill 280.

I move that the motion be indefinitely postponed, and that all reference to it be stricken from the calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

PROGRAM FOR FINANCING RECOVERABLE EXPENDITURES—AMENDMENTS

Mr. ASHURST submitted an amendment, and Mr. TAFT submitted sundry amendments intended to be proposed by them, respectively, to the bill (S. 2864) to provide for the financing of a program of recoverable expenditures, and for other purposes, which were ordered to lie on the table and to be printed.

HEARINGS BEFORE COMMITTEE ON PRINTING

Mr. HAYDEN submitted the following resolution (S. Res. 171), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Printing, or any subcommittee thereof, is authorized, during the Seventy-sixth Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

REPORT OF COMMITTEE ON COMMERCE

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (S. 2892) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, reported it without amendment.

THE NATIONAL DAIRY PROBLEM—ADDRESS BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a radio address by him on the National Dairy Problem, broadcast by transcription over station WHA, Madison, Wis., May 4, 1939, which appears in the Appendix.]

PRELIMINARY REPORT OF TEMPORARY NATIONAL ECONOMIC COMMITTEE—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a radio address delivered by him on July 24, 1939, on the subject, The Preliminary Report of the Monopoly Committee, together with newspaper articles by John T. Flynn, Hugh S. Johnson, and David Lawrence, which appear in the Appendix.]

ADDRESS BY CHAPLAIN OF THE SENATE AT GRADUATION EXERCISES OF THE UNIVERSITY OF VERMONT

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address entitled "The Momentous Decisions of Life," delivered by Rev. ZeBarney T. Phillips, D. D., Chaplain of the Senate, on the occasion of the one hundred and forty-eighth graduation exercises at the University of Vermont, at Burlington, Vt., on June 12, 1939, together with the introduction by Dean J. L. Hills, which appears in the Appendix.]

ROUND-TABLE DISCUSSION ON WORKS FINANCING ACT OF 1939

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the round-table radio discussion on the Works Financing Act of 1939 broadcast on Monday, July 24, 1939, which appears in the Appendix.]

PHILIPPINE MARKET—ADDRESS BY HORACE B. POND

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an address on the subject of The Philippine Market, delivered at Manila, P. I., on May 27, 1939, by Horace B. Pond, president of the Pacific Commercial Co., which appears in the Appendix.]

AMENDMENT OF PATENT LAWS—STATEMENT BY PARKER, CARLSON, PITZNER & HUBBARD

[Mr. WHEELER asked and obtained leave to have printed in the RECORD a statement prepared by Parker, Carlson, Pitzner & Hubbard, of Chicago, relative to Senate bill 2688, to amend section 4884 of the Revised Statutes (U. S. C., title 35, sec. 40), which appears in the Appendix.]

SLUM CLEARANCE

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a list of the organizations and individuals endorsing Senate bill 591, authorizing the expansion of the slum clearance and low-rent housing programs, which appears in the Appendix.]

EQUITY FINANCING

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Equity Financing," by H. I. Phillips, reprinted from the New York Sun, which appears in the Appendix.]

INCREASE IN GOVERNMENT AGENCIES

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article in Nation's Business for August, 1939, under the headline "The State vs. The Citizen. Tragic Chronicle of the Quickening Pace of Political Control," which appears in the Appendix.]

RISE IN TRADE INDEX—ARTICLE FROM WASHINGTON POST

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article published in the Washington Post of July 24, 1939, dealing with the increase in the trade index during the past 12 months, which appears in the Appendix.]

RESIGNATION OF HON. JESSE H. JONES

Mr. SHEPPARD. Mr. President, I desire to place in the RECORD a letter to the President of the United States from Hon. Jesse H. Jones, tendering his resignation as a member of the Board of Directors of the Reconstruction Finance Corporation in order that he might accept appointment as Federal Loan Administrator, and the President's reply thereto.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

RECONSTRUCTION FINANCE CORPORATION,
Washington, July 15, 1939.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: I hereby tender you my resignation as a member of the Board of Directors of the Reconstruction Finance Corporation in order that I may accept appointment by you as Federal Loan Administrator under your reorganization plan No. I.

When I came to the R. F. C. upon its establishment, February 2, 1932, it was assumed that the conditions which caused the creation of the Corporation by Congress would soon pass. The breakdown in our financial and economic affairs has been repaired, but the readjustment is taking much longer than any of us expected.

It has been an honor and a privilege to serve as a director of the R. F. C. and as Chairman of its Board during this reconstruction period, and I shall be glad to contribute what I can as Federal Loan Administrator.

My greatest compensation in my R. F. C. work has been the continued confidence and support which you have given me, and the confidence of Congress, my associates in the Corporation, and the business world generally. Whatever success I may have had in furnishing leadership to the organization has been due to that confidence and support.

The Corporation is solvent. It has sound assets sufficient to pay all of its debts and return to the Treasury the entire capital stock invested in it, with something in addition.

I have said on many occasions that the R. F. C. organization is as capable as that of any privately owned business. I wish to emphasize that statement and to bespeak for the organization and for my successor as Chairman the same confidence and support that I have enjoyed. Mr. Schram is competent; the organization is competent. They are in every way worthy of confidence and support.

Sincerely yours,

JESSE H. JONES, *Chairman.*

THE WHITE HOUSE,
Washington, July 18, 1939.

Hon. JESSE H. JONES,
Reconstruction Finance Corporation, Washington, D. C.

DEAR JESSE: I have received and accepted your resignation as a member of the Board of the Reconstruction Finance Corporation, but I do so only because of your undertaking the work of Federal Loan Administrator.

The Reconstruction Finance Corporation under your chairmanship has made an amazing record of financial efficiency, while at the same time assisting many banks, corporations, and individuals to continue solvent and to do their part in giving employment and keeping the wheels of industry turning.

Your statement that the Reconstruction Finance Corporation "has sound assets sufficient to pay all of its debts and return to the Treasury the entire capital stock invested in it, with something in addition," reminds me that in 1933, 1934, 1935, and 1936 a few people in the executive branch of the Government, more people in the Congress of the United States, and many individuals and newspapers in civil life were announcing to the Nation that the Reconstruction Finance Corporation was broke and that the Government would not get back more than 50 cents on the dollar.

These people were in some cases honest in their belief, but in many cases were making these ghoulish statements with the hope that their own type of partisanship would thereby be served. In either case their action did little to encourage the "confidence" they were so loudly talking about. In either case their gloomy predictions proved false.

I call this matter of history to your attention because it is illustrative of the difficulties which public servants find in carrying out their duties.

You, the fellow members of your Board, and all of us who have some confidence in the good sense of the American people, and confidence in the ability of honest government to cope with difficult situations, which have not been solved by wholly private efforts, have a right to some measure of pride in the Reconstruction Finance Corporation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

ADDITIONAL DISTRICT AND CIRCUIT JUDGES

Mr. ASHURST. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2185) to provide for the appointment of additional district and circuit judges.

Mr. REED obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. BARKLEY. I understand that when the bill was laid aside yesterday a motion to recommit had been made, and that that motion is now the pending question.

The PRESIDENT pro tempore. The situation is as stated by the Senator from Kentucky.

Mr. BARKLEY. I ask unanimous consent that not later than 2 p. m. today the Senate proceed to vote on the motion to recommit; and, if that motion shall be rejected, that the Senate then proceed to vote on the bill and any amendments thereto.

Mr. REED. Mr. President, I object, not because I desire to delay final consideration of the bill, but because I am not certain that by 2 o'clock we shall have had a fair opportunity to debate this very important measure. I assure the majority leader, the distinguished Senator from Kentucky [Mr. BARKLEY], that so far as I and anyone else for whom I can speak are concerned, there is no disposition to delay the bill.

Mr. BARKLEY. When we were about to adjourn yesterday, I understood it had been tentatively agreed among those who had been conferred with that we would vote today at an hour not later than 12:30, which would have given an hour and a half for debate. I do not wish to shut off any Senator who wishes to discuss the bill; but the Senator will appreciate that it is necessary for us to proceed with some expedition.

Mr. MCNARY. Mr. President, I can clarify the situation by saying that I was in accord with that suggestion. However, after consulting with the able Senator from Kansas, I learned that he intended to object.

Mr. BARKLEY. We will let the matter run along for a few minutes.

Mr. REED. Mr. President, it is always my desire, whenever possible, to support the report of a committee of this

body. The only way in which we can fairly legislate upon the tremendous number of subjects which come before us is through committees; and with me the report of a committee always has much weight. The report of the committee in this case has much weight. However, there is one outstanding and unusual circumstance attached to the report of the committee. After it made its report upon the question of the number of additional judges which should be approved and authorized, it introduced a witness of its own. Today I shall quote only from the witness brought into the case by the distinguished Senator from Vermont [Mr. AUSTIN] with the high approval of the Senator from Arizona [Mr. ASHURST], chairman of the Judiciary Committee.

In brief, Mr. President, the bill authorizes the appointment of two additional circuit judges and six additional district judges, being a lesser number than that recommended by the judicial conference, which was headed by the eminent Chief Justice of the United States. The committee took the liberty of not agreeing with the judicial conference. The committee made recommendations away below those of the judicial conference. The 9 or 10 or 11 old men in the case seem to have had not much more weight than "the 9 old men" had with the Congress upon a previous occasion.

But I wish, Mr. President, to call the attention of the Senate to the evidence introduced by a witness brought into this case by the committee itself. I refer to Judge Merrill E. Otis, a district judge of 14 years' experience and service, one of the most eminent jurists in the United States, who wrote an article which was put into the RECORD by the Senator from Vermont. In that article Judge Otis sets up for the first time, to my knowledge, a standard by which this body may be governed in the authorization of additional judges for the circuit and the district bench. I wish to read from the article of Judge Otis, the witness of the committee, in which he used the language which appears on page 9678 of the RECORD of last Friday. At that point Judge Otis went on to speak of the motives which should govern the judicial conference as well as the Senate and the House of Representatives of the United States in the selection of additional judges, and Judge Otis, in this very learned and able article, speaking of those who advocate more judges, I think rather optimistically, stated:

> They would spurn any effort of any politician to secure the creation of some new judgeship for the mere sake of patronage, although his efforts be buttressed by some specious showing or even by an honest showing of a need obviously transient. Packing a district court with unneeded judges is not only an economic waste; it is degrading and humiliating to every serving judge in the district affected. Responsible statesmen will welcome a measuring stick, if one can be devised, by the application of which to the work to be done in any district it can be determined whether a new judge is needed.

That testimony, Mr. President, was put in the RECORD with the approval of the Senator from Vermont and the approval of the Senator from Arizona, chairman of the Judiciary Committee. Judge Otis did provide a yardstick. I hope every Member of the Senate will read the article of Judge Otis, and really I wish that no Senator could be permitted to vote on this measure until he had read that article.

Mr. President, by the yardstick set up by the eminent witness brought into this picture by members of the committee itself there is not a single district judge recommended who is justified by that yardstick.

Mr. McCARRAN. Mr. President, will the Senator kindly yield at that point?

Mr. REED. I shall ease the mind of the Senator from Nevada if he will let me proceed for a moment.

Mr. McCARRAN. Very well.

Mr. REED. Although technically there are none of these additional judgeships that meet the yardstick measurement of Judge Otis, I would be disposed to say that perhaps two exceptions might be made and two additional judges possibly might be justified. I put at the top of that list an additional judge for the southern district of New York, and, because of the statement of the distinguished Senator from Nevada [Mr. McCARRAN] yesterday, who said he had made a personal investigation of the matter, I would be inclined to go further and allow one for the southern district of California, although, in all candor, it should be said that we have been allowing southern California additional judges to an extent that really ought to take care of the business there. However, I will, if I can, quiet the mind of the Senator from Nevada by saying that I shall not object to an additional judge for the southern district of California.

Mr. McCARRAN. Mr. President, now will the Senator kindly yield?

Mr. REED. I am glad to yield to the Senator from Nevada.

Mr. McCARRAN. May I, first of all, dispel the idea that I am at all interested from the standpoint of patronage, for I have no patronage in California. I was selected by the chairman of the Judiciary Committee to go into California to investigate conditions in the Federal courts in that State, and especially in the southern district of California. I did so impartially; and I say "impartially" because I have no personal interest whatever in California. There is no involvement of jurisdiction; there is nothing that crosses the State line except that California comes over to Nevada once in a while to get some money and take it back to California.

Mr. REED. May I break in on the Senator at that point?

Mr. McCARRAN. Certainly.

Mr. REED. I have been around Arizona and Nevada to a considerable extent, and I was under the impression that it was the hope of citizens of Arizona and Nevada that when they died they would go to California instead of going to Heaven. Perhaps that is not correct.

Mr. McCARRAN. That is the most incorrect statement ever uttered. May I say that my one outstanding idea of Heaven is that I may live and abide for eternity in the breast of my Saviour in Nevada. I would not select any other place of all the places of the earth save and except the place of my birth. So the Senator need have no concern in that respect.

But recurring to the original question, let me say to the Senator that the yardstick of Judge Otis, if it were applied to practical conditions and facts in the southern district of California it would apply a hundred percent, for I may say to the able Senator, that there is a limit of human endurance; men cannot work over 18 or 20 hours a day mentally or physically, and the judges in southern California are working to the very limit, to an extent that some of them have been broken down in health.

Mr. REED. I may say to the Senator from Nevada that I am not a lawyer, but I understand when a lawyer wins his case that is enough. I have said to the Senator from Nevada that, so far as I was concerned, I was not going to object to an additional judge for southern California. Does not that satisfy the Senator from Nevada?

Mr. McCARRAN. If the able Senator from Kansas is not a lawyer he will do until we find another one. [Laughter.]

Mr. REED. I have led a fairly respectable life up to this time. [Laughter.]

Mr. McCARRAN. That makes the Senator a lawyer.

Mr. REED. Mr. President, we have heard much in this country about "court packing." I disagreed profoundly with the President of the United States in what was called his "court packing" plan, not because I agreed with the decisions of the Court, but because I did not like the method of the President. But I am just as much opposed to "court packing" by the courts themselves through a judicial conference as I am to "court packing" in any other way. I desire to read further upon this point from the testimony of the distinguished witness, who was brought into this case by the Judiciary Committee itself. Judge Otis, in a footnote referring to that part of his statement which I have already read, says:

> Regretfully it must be said that instances of such efforts have been numerous.

That is to say, efforts to increase the number of judges upon the bench of the circuit and district courts for the purpose of increasing patronage. That is what Judge Otis was referring to in his footnote.

I charge the mind of the Senate with this statement:

> Even the Conference of Senior Circuit Judges occasionally has been misled to suggest additional judgeships where there was no need. The conference and Congress would do well to consult the district judges on the ground and the organized bar, not for recommendations but for facts. They might hope to get accurate information from such sources.

Mr. President, every lawyer—and most of the Members of this body are lawyers—every student of public questions knows that litigation is declining. It is the complaint of lawyers everywhere that, because of the decline in litigation, they are having more and more difficulty in earning a living practicing law. It is the testimony of judges generally that, because of that fact, their terms of court are shorter. Yet in the period of the past 15 or 20 years there have been appointed additionally to the district and circuit courts of the United States the following number of judges:

Under the Harding administration, 26 additional district judges were appointed and 1 circuit judge.

Under the Coolidge administration, 22 district and 2 circuit judges.

Under the present administration, 41 additional district judges and 7 circuit judges.

And now we are faced with a recommendation from the judicial conference for additional judges, both district and circuit.

Let me use as an illustration the policy of the judicial conference as to my own State of Kansas. The judicial conference and the Attorney General recommended an additional district judge for Kansas. My colleague the senior Senator from Kansas [Mr. CAPPER], who sits here at my left, and I told the chairman of the Judiciary Committee that Kansas did not need an additional judge. We did not want to take the responsibility for incurring an expenditure which was not justified by the appointment for life of a man who, once in office, could be removed only through impeachment. Therefore, we asked the chairman of the Judiciary Committee to leave Kansas out of the bill, and he did so. Yet, by the yardstick of Judge Otis, not only does every one of the courts for which these additional judges are recommended fail to meet the requirement but in most cases they fall below what actually is taking place in the United States court in Kansas.

I desire to say, for the information of the chairman of the Judiciary Committee—I am speaking now to the question of the bill being recommitted—that if that motion fails—it should not fail, but if it does fail—I expect to offer several amendments to the bill. I make my last appeal, without much hope of its being accepted, to the distinguished Senator from Arizona [Mr. ASHURST], the chairman of the committee, and to the distinguished Senator from Vermont [Mr. AUSTIN], a member of the committee, and say to them that in this situation I should infinitely prefer to recommit the bill to the committee, to let the committee take up these questions and work them out where they will have more time, where the work can be done more intelligently, where that kind of work ought to be done, than to try to amend the bill from the floor. The latter is not a good way to legislate, and I should be very much happier if my very good friend the Senator from Arizona—whose graciousness is so well known—in the light of the testimony of his own witnesses, and in the light of what the committee knows, would agree to recommit the bill.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. ASHURST. So far from feeling any irritation, I honor the able Senator from Kansas for the performance of his duty and his able defense of his view.

The able Senator urges that the bill be recommitted. I shall state the reason why I shall not support the motion, if the Senator will permit me to do so. The judicial conference—and I need not describe it; every Senator knows what it is—urged that provision be made not only for all the judges mentioned in the bill but for at least 10 or 12 additional judges. The Attorney General likewise urged that provision be made for 10 or 12 more judges than are in this bill; whereupon, I say now, as I said yesterday, that the Committee on the Judiciary early last year addressed itself to the question of additional judges. The Committee on the Judiciary made this problem its first business. At great inconvenience to many Senators, I, as chairman, sent one Senator into the eighth circuit, one into the seventh, one into the sixth, and they made a personal investigation. They examined the dockets; they conversed with the clerks; they conversed with the lawyers and the judges. After personal investigation, they brought back their report, to the effect that those named in the bill were the only judges needed, and that the additional 8 or 10 judges recommended by the judicial conference were not now needed.

Suppose the bill were recommitted to the Committee on the Judiciary. There is nothing more that we could do. We should not be justified in sending Senators again personally to examine the dockets. What new facts would we obtain? What more may we do? I cannot too highly commend the diligence of the special committee in this matter.

I am going to mention a name. For example, I committed to the able Senator from Vermont [Mr. AUSTIN] the delicate and important task of investigating the first and second circuits to ascertain what, if any, additional judges are necessary. The able Senator from Vermont, with a diligence that is most commendable, made his investigation and submitted his report; the Committee on the Judiciary unanimously supported his report, and I am certain will continue to do so.

I say again we have reduced this bill to an irreducible minimum. If the Senate should vote to recommit the bill to the committee I should feel no irritation, but it would simply mean that there would be no judicial bill. I assure the Senator that if the bill shall be recommitted we can do no more than we now have done.

I thank the Senator for permitting me to interrupt him.

Mr. REED. Mr. President, I hope the Senator from Arizona and the Senator from Vermont will take no offense at what I am about to say, that despite the very earnest efforts and all the investigation and the report the committee made, it is common gossip upon the floor and in the cloakrooms that with the exception of the southern district of New York and the southern district of California, many members of the committee itself are in serious doubt as to whether any of the other additional judges are justified.

Mr. ASHURST. Mr. President, that may be true. For years I was afflicted with the vice of listening to and sometimes being guided or rather misguided by gossip. In reconstructing my plan of life many years ago I made it my first business never to be guided in any matter, large or small, by gossip, but only by facts. How much this gossip will influence Senators will be determined when the roll is called.

The Senator from Kansas [Mr. REED] is giving evidence that he is going to make a superb United States Senator. He is already giving vouchers that he is going to be a useful Senator; but I warn him respectfully, of course, that in great matters or small matters, if he listens to gossip—the greatest gossipers on earth are United States Senators—he will put a bad mark on the splendid career he otherwise would make.

Mr. REED. Mr. President, I assure the Senator that some of the gossip comes from such high sources on the committee that I could not possibly disregard it.

Mr. ASHURST. I must be fair enough to say, if the Senator will permit, and I say it frankly, by no means did the entire committee agree with all the provisions of this bill. The committee was unanimous in the conclusion that there should be no judges other than those mentioned in this bill, but I do not want to be understood as saying that all the members of the committee voted for the creation of all these judgeships in this bill. Personally, I voted for them all, and if I had not thought I was right I would not have done so.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Kansas yield to the Senator from New York?

Mr. REED. I yield to the Senator from New York.

Mr. WAGNER. Unfortunately I was not able to be present and hear all the remarks of the Senator from Kansas, and I wondered whether there was any doubt in his mind as to the necessity for an additional judge in the southern district of New York.

Mr. REED. I may say to the Senator from New York that I have already stated that, so far as I am concerned, and so far as I know, so far as those who feel as I do about the matter are concerned, there will not be any objection to the recommendation of the committee for an additional judge for the southern district of New York.

Mr. WAGNER. My reason for making the inquiry is that I introduced originally the bill providing an additional judge, and I did it only after an investigation I had made, not as thorough an investigation as that made by the senior Senator from Vermont [Mr. AUSTIN], but sufficient to satisfy me of the absolute need. I may say to the Senator that unless I were convinced there was a need I certainly would not be for it.

Mr. REED. I may say to the Senator from New York and to the Senator from Vermont that I, even as a layman, realize that there is quite a difference in the character of litigation, or there may be a difference, that the number of cases, which is the main yardstick used by Judge Otis, is not an infallible yardstick, and Judge Otis does not so contend.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CLARK of Missouri. I have no disposition to argue with my distinguished friend the senior Senator from New York as to the necessity of an additional judge for the southern district of New York; but I recall that just a few years ago, some 3 years ago, when a bill was pending in the Senate for two additional judges in the southern district of New York, there was actually a vacancy permitted to exist for a period in excess of a year in order that three judges might be appointed at one time.

Mr. REED. While the Senator from Missouri is on the floor, I may say to him that the committee report is remarkable in that it contains a recommendation for an additional judge for the district of New Jersey when a vacancy on the district bench in that State has existed for 18 months. Yet the committee brings in a report recommending an additional judge, which can only be justified on the ground of more work than the court can do, when there has been an 18 months' vacancy due to the inability of Boss Frank Hague to determine whom he wants appointed judge. But the committee brings in a report for an additional judge in New Jersey.

Mr. SMATHERS. Mr. President——

Mr. REED. If the bill shall be recommitted, that will be the end of it. If the bill shall not be recommitted, I expect to offer an amendment striking out the provision for an additional judge for New Jersey, under the circumstances.

Mr. SMATHERS. Mr. President——

Mr. REED. I yield to the Senator from New Jersey.

Mr. SMATHERS. I should like to say to the Senator from Kansas that I hope he knows more about the State of Kansas than he does about New Jersey. There has been no vacancy existing in the State of New Jersey for 18 months, and the inability of Boss Frank Hague to decide who is going to be the judge is not the reason why the vacancy has not been filled.

Mr. REED. I understand Boss Hague decides everything in New Jersey. [Laughter.]

Mr. SMATHERS. That may be true for Kansas, but it is not true for New Jersey.

Mr. REED. I was speaking about New Jersey.

Mr. SMATHERS. I wish to say to the distinguished Senator from Kansas that the vacancy which has existed in the United States district court judgeship in New Jersey for 9 or 10 months has nothing in the world to do with the fact that we need an additional judge there, because we promoted one of the United States district court judges to the circuit bench, and more than half of the time since he was promoted he has been sitting as a United States district court judge.

Mr. REED. But the Senator does not mean to say that the vacancy caused by the promotion will not ultimately be filled, if it has not been already, does he?

Mr. SMATHERS. I mean to say to the Senator that there were in the Federal district court of my State of New Jersey 400 cases which were over 2 years old, before the vacancy occurred.

Mr. REED. The number of cases which may be 2 years old, or 1 year old, or 3 years old, is as much a matter of the attitude of the litigants and their counsel as it is of the time of the court. In all litigation there is one side or the other which is perfectly willing that a decision shall never be rendered. So the length of time that some cases may be hanging on the calendar or the docket of the court is not important.

Tested by the yardstick of Judge Otis, the New Jersey district does not need any relief. Judge Otis stated that, after making allowance for various facts and reducing the yardstick materially so as to get it down to a sound basis—and if New Jersey has any judges as able as Merrill Otis, it is to be congratulated——

Mr. BARBOUR. Mr. President, will the Senator yield?

Mr. REED. In just a moment I will yield to my Republican colleague.

The records show that in the New Jersey district, per judge, 97 Government civil cases were filed in 1938, and 127 private civil cases, a total of 217, and the yardstick of Judge Otis showed that a judge should be able to handle, in addition to his criminal work, 200 civil cases in which the Government is a party, and 200 civil cases in which there are private litigants.

In Kansas by the same yardstick the 1 judge is handling 240 cases a year, against an average of 217 in New Jersey.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. SMATHERS. Does the Senator from Kansas think that the three district court judges now presiding in New Jersey, all Republicans, and my distinguished Republican colleague, would all support this application for an additional district court judge in New Jersey if he were not needed?

Mr. REED. I am very fond of my Republican colleague from New Jersey, but I fear he has a weakness, so far as New Jersey is concerned, which will at least deter me from fully accepting any recommendations he may make regarding New Jersey without looking the animal in the teeth. [Laughter.]

I now yield to the junior Senator from New Jersey.

Mr. BARBOUR. Mr. President, I plead guilty to the weakness with which the Senator charges me, for certainly my desire to see that what is right and just for New Jersey is always done for New Jersey is no less than that entertained by my colleague or anyone else in New Jersey.

I was about to say, before my colleague spoke, that certainly I cannot possibly be accused of any partisan or selfish interest, particularly in connection with this additional judgeship in New Jersey. At present all the district judges in the State of New Jersey are Republican judges, and if I wanted to play partisan politics or be selfish in my own personal political interest, I would, of course, do everything I could, in the closing days of this session to prevent any new judges being appointed, because obviously they undoubtedly would both be Democratic judges. But I am not now playing politics and never will do so, certainly so far as the judiciary is concerned.

As my colleague has stated, the district judges of the State of New Jersey are unanimously, all three of them, in support of this proposed legislation, which would enable two new judges to be appointed. The district judges of New Jersey

know that these additional judgeships are definitely needed in the public interest. I know them all and I trust them all. I believe in them all. They have written to me that they are in favor of the creation of these judgeships. They have written and told me they are in favor of these new judgeships because they are necessary—absolutely necessary. The Bar Association of the State of New Jersey also urges the creation of these new judgeships in New Jersey and for the same reason. Many important attorneys, some of whom I have known all my life, who have no partisan interest in the matter, speak of the necessity for these two new judgeships.

Mr. President, I realize that there was a delay in filling the vacancy which was caused when Judge William Clark was promoted to the circuit bench. I most certainly do not condone the delay in filling that vacancy. Naturally, I was not consulted with respect to the situation, and there was nothing that I could do about it. I was not involved. As I understand, the delay grew out of a difference between my colleague [Mr. SMATHERS] and other powers that be in the State of New Jersey.

Mr. REED. Meaning Mr. Frank Hague, of Jersey City?

Mr. BARBOUR. Meaning Mr. Frank Hague, of Jersey City. Perhaps I should also add the Governor. But in any event, Mr. President, entirely aside from that unfortunate and regrettable delay, or the reason for it, or the justification for it, if there was any, which I do not admit, I think it was occasioned very largely by the desire on the part of my colleague—if I understand the situation correctly—that the new judge to fill that vacancy should come from the southern part of the State, while Frank Hague and possibly others wanted the new judge to come from the northern section of the State.

Mr. President, the point I am trying to make is that entirely aside from that inexcusable delay—and I never have condoned the delay—there never was at any time any question whatever about the absolute necessity for the additional judge to fill the vacancy caused by Judge Clark's elevation to the circuit court. We are dealing with the necessity—not a quarrel between Democrats in New Jersey—a necessity not only for a judge to fill the vacancy, but a judge to fill the additional judgeship which is created by the bill. Both are necessary, and that is the reason, the only reason, I am for this proposed legislation.

Mr. REED. Mr. President, I may suggest to my good friend the Senator from New Jersey that the figures do not bear him out. His district, per judge, is far below the average of the country as a whole. His area is below the standard set by Judge Otis, way below what we are doing in Kansas; and New Jersey has a vacancy in a judgeship, a vacancy which it was stated here yesterday has continued for 18 months.

I made inquiry of the Senator from Connecticut [Mr. DANAHER] this morning to confirm that statement, because I am using the statement made on the floor yesterday as to the length of time the vacancy in New Jersey has existed. I have no knowledge of my own concerning it. It was stated yesterday that the vacancy had existed for 18 months. The Senator from Connecticut told me this morning that the vacancy had existed for 18 months. May I ask the Senator from New Jersey how long the vacancy has continued?

Mr. BARBOUR. I think what the Senator stated is probably correct. Of my own knowledge I do not know the exact number of months, but I do not challenge the statement that it was 18 months.

Mr. REED. Then, is it not ridiculous, when a district in which there are now three judges shows a less load per judge than the average of the country, according to the yardstick of Judge Otis, a district where a vacancy has existed for 18 months, that the Committee on the Judiciary should bring in a report recommending an additional judge for that district? If that is not the height of absurdity, then I do not know what it is; and I challenge my distinguished friend, the Senator from Arizona, for whom I have deep affection and high respect, to reconcile such a situation with good legislation and sound public policy.

Mr. HATCH. Mr. President——

Mr. ASHURST. Mr. President, will the Senator yield to me, since he asked me the question?

Mr. REED. I yield to the Senator from Arizona.

Mr. ASHURST. Long ago I learned to depend upon the senior Senator from Kansas [Mr. CAPPER] as a Senator and public servant because I found that he was usually accurate. I am beginning to learn to depend upon the junior Senator from Kansas [Mr. REED] likewise. When I want information as to Kansas I do not go to New Jersey. I believe that WARREN BARBOUR and WILLIAM SMATHERS know more about New Jersey than the Senator from Kansas [Mr. REED] knows about New Jersey. Likewise, I believe that ARTHUR CAPPER and CLYDE REED know more about Kansas than the New Jersey Senators know about Kansas.

When I wish information I go to those who in reason are supposed to have the information. With due deference to the able speech made by the junior Senator from Kansas, I chose to follow the reasoned judgment of the Republican Senator from New Jersey [Mr. BARBOUR], whom I esteem, and in whose judgment I believe, and the reasoned judgment and conclusions of the Democratic Senator from New Jersey [Mr. SMATHERS], rather than the judgment of the Senator from Kansas, who I am sure has never made a close investigation of the judicial situation in New Jersey.

In other words, Senators will pardon me when I follow the New Jersey Senators in respect to New Jersey matters, and the Kansas Senators in respect to Kansas matters.

Mr. REED. May I inquire of the Senator from Arizona, the chairman of the Committee on the Judiciary, whether he accepted at 100-percent face value the recommendation of every Senator regarding the requested increase in the number of judges in his State? Will the Senator answer "yes" or "no"?

Mr. ASHURST. My answer is "Yes."

Mr. REED. Then I say that on that statement alone the report of the committee should be recommitted. Any important committee of the Senate which undertakes to rely upon local influence, local advice, local demands, 100 percent, is not entitled to an unquestioned vote of the Senate, nor should the measure be passed without the severest scrutiny and criticism.

Mr. ASHURST. Mr. President, I respect the judgment of the Senators from Kansas, and let me say that I will not mention any State except the State of Kansas. I do not feel at liberty to mention other States. The Senators from Kansas made a request of me in a most respectful way, and they had a right to do so. They said, "We do not want a new judge in Kansas." I said, "I shall kill the bill, then, if I can, before you get another judge in Kansas."

Mr. REED. The Senator was very gracious about it.

Mr. ASHURST. The Senators from another State—I shall not mention the name of the State unless they ask me to do so—said, "If you will put a judge for our State in the bill, we will kill it." I said, "There will be no new judge for your State."

The Senators from still another State—I continue to refrain from mentioning the name of the State—requested that no new judge be named for their State. I said to them, "So far as I am concerned, there will not be a new judgeship for your State in the bill, if I am going to manage the bill, if the Senators from that State are against such a proposal."

Mr. President, I feel safe in trusting Senators. When a Senator says, "I need an additional clerk," I am willing to vote favorably on his request. If we cannot trust him in the matter of a clerkship, we cannot trust him to manage the important and vital affairs of the Government.

I do not say that I would be in favor of having legislation passed simply because the two Senators from a State should walk in and say, "We want another judge for our State," but I say that when the Senators agree in making the request, and the record bears them out, I am willing to support the proposition.

The same statement applies to forest preserves. If a Senator were to say to me, "I do not want any more forest preserves in my State," I would adopt his view.

Mr. BARBOUR. Mr. President, will the Senator yield to me? Perhaps I should not interrupt him?

Mr. ASHURST. I yield. Perhaps I have said enough.

Mr. BARBOUR. No; the distinguished Senator from Arizona never says enough. But, anyway, I do not charge the Senator from Kansas with prejudice or with having charged me with trying to exert what I think he termed influence, or trying to get power. Certainly in my case in this instance that absolutely could not possibly be so. There is, moreover, probably no Republican in the whole State of New Jersey who is known to be politically more absolutely opposed to or forthrightly against Frank Hague than myself. I want that to be clearly understood by everyone, both here in the Senate as it is back home in New Jersey. Moreover, I have not heard from Mayor Hague in this whole connection, as I have not communicated with him or would not do so. So much for the subject of Frank Hague so far as I am concerned. But, as the Senator from Kansas has based his information on the reports of judges and others who have come here and said that on the basis of the review they feel this way and that way, I am basing my information as a United States Senator and as a citizen of the State of New Jersey and, regardless of my party affiliation, on what I know to be the necessity for these additional judgeships. That is why, as I have said before, I am for these additional judgeships. Even despite the fact that of necessity they will be Democratic appointments, that is entirely beside the point so far as I am concerned.

Mr. President, as I have said, I do not criticize the Senator from Kansas for his position, and I do not want him to criticize me for mine. There are frequently grounds for an honest and friendly difference of opinion as to these sort of facts. I honestly believe my facts are correct. The Senator from Kansas believes his facts are correct.

Mr. REED. Mr. President, will the Senator permit me to interrupt him?

Mr. BARBOUR. Yes; I yield.

Mr. REED. They are not my facts. They are the official record—that is all.

Mr. BARBOUR. Well, Mr. President, the official record deals academically with just numbers of cases. We all know that districts vary very greatly, and the character of cases varies very greatly. In the discussion of certain types of legal cases here a few days ago between the distinguished Senator from New York [Mr. WAGNER] and another Senator who was engaging him in colloquy at the time, it was admitted that some of the cases in the southern district of New York took as long as 2 years to be disposed of. Very obviously one cannot compare those cases with cases of other sorts in other areas which take a very short time to dispose of. I know we have good hard-working judges in the State of New Jersey, and I know they cannot keep abreast of their dockets. They must have additional judges to help them if justice is to be properly administered in my State.

Mr. President, personally I am very sorry that the vacancy in New Jersey was not filled. It of course should have been filled long ago, but as I have stated that is really not the issue. The issue is, Are two additional judgeships necessary? And there is nothing in the record anywhere which at any time refuted the necessity for these additional judgeships—both of them.

Mr. REED. Will not the Senator concede that if that judge had been working we would have had the equivalent for the past 18 months of an additional judge? And that is all that the bill gives the State.

Mr. BARBOUR. I never denied that. That is that the vacancy we have spoken of so often should have been filled long ago.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. REED. When the junior Senator from New Jersey has completed I shall be happy to yield to the senior Senator from New Jersey.

Mr. BARBOUR. I am glad to yield. All I wanted to do was to make my position absolutely clear and make sure that everyone understands just why I take the position I do in this whole connection.

Mr. REED. I will now yield to the senior Senator from New Jersey.

Mr. SMATHERS. I wish to say to the Senator from Kansas, so that he will not again become excited and exercised over the 18-month vacancy, that the vacancy took place last year. During the closing hours of the previous session of Congress Judge Clark was confirmed as a circuit court judge. Instead of qualifying as a circuit court judge he continued as a district court judge for all of last year, and tried a great number of district court issues up until practically the first of January of this year. So, as a matter of fact, the vacancy has existed from January 1 of this year until the present time.

Mr. REED. If the Senator from New Jersey will get his calendar straight, the Congress adjourned last year in June.

Mr. SMATHERS. In June.

Mr. REED. We are now approaching August 1939.

Mr. SMATHERS. The Senator from Kansas misses the point every time I try to bring it home to him.

Mr. REED. I have not been able to understand that there is any point.

Mr. SMATHERS. Oh, yes; there is a point. I am sure the Senator will get it if he listens. At least, I have hope.

Mr. REED. The Senator should not be too optimistic. He will have to make the point much plainer than he has made it up to this time.

Mr. SMATHERS. I realize that. I want to bring home this point to the Senator from Kansas: Although Judge Clark was confirmed by the Senate in June of last year, he did not take office as a circuit court judge, but continued to serve practically throughout all of last year, doing district court work as a district court judge before he resigned his position. Does the Senator from Kansas get that point, or does he want to get it?

Mr. REED. I heard the Senator from New Jersey.

Mr. SMATHERS. All right.

Mr. REED. Mr. President, I told the majority leader——

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. WAGNER. I do not want to delay the conclusion of the Senator's remarks.

Mr. REED. I assure the Senator that there will be a quorum call. Let me say to the Senator from New York that I would not want to take a vote at this time, because nearly all the Senators now in the Chamber are interested in additional judges, and I certainly would not hazard a vote in the group now present. We will have a quorum call before we vote.

Mr. WAGNER. I think the Senator really has not a sufficient appreciation of what Senators regard as their obligation. I am sure the Judiciary Committee has never had the experience of a Member of the Senate coming before it asking for additional judges unless he was able to support his request by statistics indicating the necessity therefor. No Senator would do such a thing; and after the Senator has been in the Senate a little longer he will know that to be a fact.

The Senator has suggested that political considerations are creeping into this legislation for additional judges. In the first place, the Judiciary Committee, above all others so far as I know, has the reputation of not permitting political considerations to creep into its discussion of legislation pending before it with reference to the judiciary.

I think some of us consider these matters above mere politics. There were two vacancies in the circuit court of appeals, one of them created last year as the result of some legislation which I introduced. I myself had the pleasure of endorsing two candidates for those offices. Both are members of the Senator's party, but they stood so high in the profession that I did not hesitate to recommend them for that office. I think the Senator is not accepting the suggestion of the distinguished chairman of the Judiciary Committee to guard against mere rumors and to rely upon facts.

Mr. REED. If the Senator from New York will permit the observation, no one is so simple as to accept the correctness of the statement that Senators are not at times—not always, but frequently—interested in the political considerations attaching to the appointment of judges and the creation of judgeships. All that the distinguished Senator from New York can say from now until the debate closes will not change that fact in the minds of the people.

Mr. WAGNER. Does the Senator think that a Senator would deliberately recommend an additional judge, although he knew that such additional judge was not needed?

Mr. REED. I think it has been done; yes.

Mr. WAGNER. I know of no such case.

Mr. REED. I think it has been done.

Mr. WAGNER. I cannot think of a Senator who would make such a recommendation under those circumstances.

Mr. REED. Mr. President, I wish to read briefly, and then I shall conclude, so far as the motion to recommit is concerned. Of course, I want it distinctly understood that some amendments will be offered to the bill in an effort to reach the most glaring examples of things that ought not to be done. In my humble judgment, with due deference to the Senator from Arizona [Mr. ASHURST], and my very good friend the Senator from Vermont [Mr. AUSTIN], who is not now present, the committee should have taken care of that matter.

I wish to quote again from Judge Otis:

> Packing a district court with unneeded judges is not only an economic waste; it is degrading and humiliating to every serving judge in the district affected.

Judge Otis continues:

> Regretfully—

I wish the Senator from New York [Mr. WAGNER] were present—

> Regretfully, it must be said that instances of such efforts have been numerous.

This is a United States judge of long experience speaking.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. BORAH. Is the Senator reading from Judge Otis' statement?

Mr. REED. I am reading from a footnote written by Judge Otis to his own remarks, explaining them.

Mr. BORAH. Where were the remarks made? Were they made before a committee?

Mr. REED. They were made in an article written for and printed in the University of Kansas City Law Review for June 1939, entitled "The Business of United States District Courts," by Merrill E. Otis.

Mr. BORAH. I know Judge Otis. I esteem him very highly. I would not make any suggestions which would reflect on his integrity of mind when he makes these statements. However, I have been on the Judiciary Committee for 30 years, and I have had an opportunity to observe the workings of that committee. I wish to say that, in my opinion, the present chairman of that committee would not for a moment brook any improper action on the part of anyone in the selection of judges if he knew of it. As Judge Otis says, there may be instances in which such things as he refers to occurred.

Mr. REED. He said there were numerous instances.

Mr. BORAH. Does he give the numerous instances in the footnote?

Mr. REED. No. Judge Otis said:

> Regretfully it must be said that instances of such efforts have been numerous.

Mr. BORAH. I wish to God that in this country politics were cleaned out of other departments as thoroughly as is the case in the judicial department of the United States. Of course, there are exceptions, but taking the history of our judiciary as a whole, it is a proud story.

Mr. REED. I wish to complete the reading of what Judge Otis said. I will say to the distinguished Senator from Idaho that I am merely trying to bring the situation to the attention of the Senate and of the country.

Mr. BORAH. The Senator is quite within his duty in bringing all the facts to the attention of the Senate. I am not criticizing him at all. However, it does not help us on the Judiciary Committee to say that these things occur without giving any instances in which they have occurred.

Mr. REED. The Senator from Idaho, being the dean of the Senate, knows that one Senator does not go around digging into some other Senator's patronage preserves when it is not any of his individual business.

Mr. BORAH. If that be true, there is no use in our debating the question.

Mr. REED. Senators do not do that. The Senator knows that as well as anyone.

Mr. BORAH. It does not help us to say that judges are being selected for political reasons without citing specific instances.

Mr. REED. I am quoting a distinguished and experienced United States judge literally, and reading his exact language. If I may proceed, he says:

> Even the conference of senior circuit judges occasionally have been misled to suggest additional judgeships where there was no need.

Mr. BORAH. Of course, we have to operate the Government with human beings; and they make mistakes. However, I am now speaking of those who willfully do the things about which the Senator speaks. I am happy to say that I think such instances are rare, indeed. As a lawyer, as a Senator, and as a citizen I have learned to deeply respect the American judiciary.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. REED. I shall be very glad to yield.

Mr. HATCH. I have not been in the Chamber during all of the Senator's discussion.

Mr. REED. I am very sorry. The Senator from New Mexico would have been highly edified. I am trying to do with the judicial situation what the Senator has been so successful in doing with the political situation.

Mr. HATCH. I wish to say to the Senator from Kansas that if he has been criticizing the Judiciary Committee for its lack of fidelity to duty in the recommendation of judges, the Senator from Kansas is the last Senator who should make that charge, for this reason—and I ask the Senator if I am not correct: The judicial conference has recommended, and the Attorney General has recommended, for 2, 3, or perhaps more years, that an additional judgeship be created in the State of Kansas.

Mr. REED. That is correct.

Mr. HATCH. And the Judiciary Committee of the United States Senate has gone through that recommendation, not once but several times, and in this bill has refused to follow the recommendation of the conference, and has not reported an additional judge for the State of Kansas.

Mr. REED. Very well.

Mr. HATCH. The committee was right, was it not?

Mr. REED. The committee did the proper thing; yes, sir. I am giving the committee credit for it. I am criticizing the committee for some of the recommendations which it has made in the bill—not all of them, but some of them—and if and when the time comes to offer amendments to the bill these matters will be developed more in detail as to specific cases.

Mr. HATCH. I merely mention that to call to the mind of the Senator from Kansas and of the Senate the fact that the committee has been more than careful; that we have excluded judges whom we did not think were necessary. Only yesterday I stood on the floor of the Senate and told about another judge provision for whom was excluded from the bill, although there was need and use in that case for an additional judge in the particular circuit. There is no question about that. All the judges agree as to the need, but the committee decided that it was not absolutely necessary that the additional judge in that case be provided, and

so the committee eliminated the provision for him. We have tried to provide for judges on the basis of need.

Mr. REED. And sometimes the committee had to go contrary to the recommendations of the Judicial Conference, headed by the Chief Justice of the United States.

Mr. HATCH. As the Senator from Idaho has just explained, they make mistakes; they are human beings, and perhaps we have been mistaken in refusing to follow them. Perhaps they were right; we may have been mistaken, but we exercised the best judgment we had.

Mr. REED. Let me say to the Senator from New Mexico that I am merely trying now to help the committee acquire information by which it may, or the Senate may, correct the mistakes.

Mr. HATCH. It would be no help to the committee to recommit the bill. If there is any judgeship that ought to be eliminated and stricken from the bill, well and good; that would help; but to recommit the whole bill merely in order to strike out provision for one judge would be wrong.

Mr. REED. I am sorry the Senator from New Mexico was not present——

Mr. HATCH. I am also sorry.

Mr. REED. When I stated I preferred to handle these matters through the committee, I thought that was the better, the more intelligent, the more systematic way to do it; I always prefer to operate through the committees; but it is now late in the session and there are provisions in the bill for the appointment of three additional judges whose appointment I think would be an outrage from the standpoint of public policy.

The first thing to do—and I would rather have the committee do it—would be for the committee to take the bill back and reconsider the matter. I made an appeal to the chairman of the Judiciary Committee to do that, without intending any reflection upon him or upon the committee. We have heretofore recommitted bills. There is nothing novel about it. We have done it sometimes, in fact, usually in the face of the opposition of the committee itself. I probably would feel that way about it if a bill were to be recommitted to a committee of which I was a member. But there are some things in the bill that I think do need correction; and I am not alone in that view; it has been freely voiced on the floor within the last few days, and probably will be continued to be voiced.

Mr. President, I have taken much more time than I had intended. I want to respect the courts; I differed with the President of the United States as to his method of "court packing" without undertaking to justify or defend the opinions of the Court, which I thought were open to criticism. But, further than that, I want the courts to respect themselves; I want the legislative agencies of this Government to help preserve the courts in their full integrity, and I want the machinery of this body to respond and operate in a way that will keep the judiciary as clean as may be. That is the only purpose for my appearance on this floor.

I have no present personal interest in a single one of these cases. I am only discharging what I conceive to be a public duty in the interest of a sound public policy.

Mr. AUSTIN. Mr. President, just a word. I think in justice to Judge Otis a brief extract from his remarkably fine work should be read. I read from page 222 of the reprint.

> The measuring stick devised will not be sufficiently accurate to measure thirty-seconds of an inch; it will be sufficiently accurate to measure miles. What has been done by a judge can be done again. And if some single judge, by reason of special capacity, can do more than the average judge, so that his record, considered alone, is not a measure of great value, the average work of several judges will be a useful and valuable measure.

That is the end of what I want to read. There is no need of any comment.

Mr. REED. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. REED. May I not ask the distinguished Senator from Vermont whether or not in establishing his yardstick Judge Otis reduced it from the maximum? He eliminated a number of factors so as to bring his yardstick down to what he very strongly intimated and probably directly stated was the reasonable applicable yardstick for practical application.

Mr. AUSTIN. I can show exactly how much he reduced it. He reduced it with respect to the 10 districts which he used for his test, that is, the 10 most busy districts, from 492 for criminal cases to 400; from 227 for civil cases in which the Government was interested to 200, and from 221 cases of all other kinds to 200.

Then he made another comparison, that is, a comparison with his own western district of Missouri, where there are two judges. In that case he reduced his figure from 574 criminal cases to 400; from 248 civil cases in which the Government was interested to 200, and from 241 civil cases of all other kinds to 200.

Mr. REED. May I ask the distinguished Senator from Vermont if I have not used the reduced figure used by Judge Otis in making his yardstick in every case?

Mr. AUSTIN. I believe so.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. DANAHER] to recommit the bill to the Committee on the Judiciary.

Mr. DANAHER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The CHIEF CLERK called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Russell
Andrews	Downey	Lee	Schwartz
Ashurst	Ellender	Lodge	Schwellenbach
Austin	Frazier	Logan	Sheppard
Bankhead	George	Lucas	Shipstead
Barbour	Gerry	McCarran	Smathers
Barkley	Gibson	McKellar	Stewart
Bilbo	Gillette	McNary	Taft
Bone	Green	Maloney	Thomas, Okla.
Borah	Guffey	Mead	Thomas, Utah
Bridges	Gurney	Miller	Tobey
Brown	Hale	Minton	Townsend
Bulow	Harrison	Murray	Truman
Burke	Hatch	Neely	Vandenberg
Byrd	Hayden	Norris	Van Nuys
Byrnes	Herring	Nye	Wagner
Capper	Hill	O'Mahoney	Wheeler
Chavez	Hughes	Pepper	White
Clark, Idaho	Johnson, Calif.	Pittman	
Connally	Johnson, Colo.	Radcliffe	
Danaher	King	Reed	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Connecticut [Mr. DANAHER] to recommit the bill to the Committee on the Judiciary.

Mr. DANAHER. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GREEN (when his name was called). I have a pair with the Senator from Wisconsin [Mr. WILEY]. I transfer that pair to the Senator from Illinois [Mr. SLATTERY], and will vote. I vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS], and therefore withhold my vote. I am not informed how the Senator from Virginia would vote if present. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. McNARY. The Senator from Oregon [Mr. HOLMAN] is absent on official business. If present he would vote "yea."

Mr. MINTON. I announce that the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Louisiana [Mr. OVERTON], the Senator from Illinois [Mr. SLATTERY], and the Senator from Massachusetts [Mr. WALSH] are absent on important public business. I am advised that if present and voting, these Senators would vote "nay."

The Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. DONAHEY], the Senator from Virginia [Mr. GLASS], the Senator from West Virginia [Mr. HOLT], the Senator from Minnesota [Mr. LUNDEEN], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from North Carolina [Mr. REYNOLDS] and the Senator from South Carolina [Mr. SMITH] are absent because of illness in their families.

Mr. STEWART. I have a pair with the junior Senator from Oregon [Mr. HOLMAN], who, I am advised, if present and voting, would vote "yea." I transfer that pair to the Senator from Louisiana [Mr. OVERTON] and vote "nay."

The result was announced—yeas 17, nays 63, as follows:

YEAS—17

Bridges	Johnson, Calif.	Nye	Vandenberg
Capper	King	Reed	White
Danaher	Lodge	Taft	
Gurney	McNary	Tobey	
Hale	Norris	Townsend	

NAYS—63

Adams	Clark, Idaho	Hill	Pepper
Andrews	Connally	Hughes	Pittman
Ashurst	Davis	Johnson, Colo.	Radcliffe
Austin	Downey	La Follette	Russell
Bankhead	Ellender	Lee	Schwartz
Barbour	Frazier	Logan	Schwellenbach
Barkley	George	Lucas	Sheppard
Bilbo	Gibson	McCarran	Smathers
Bone	Green	McKellar	Stewart
Borah	Gillette	Maloney	Thomas, Okla.
Brown	Green	Mead	Thomas, Utah
Bulow	Guffey	Miller	Truman
Burke	Harrison	Minton	Van Nuys
Byrd	Hatch	Murray	Wagner
Byrnes	Hayden	Neely	Wheeler
Chavez	Herring	O'Mahoney	

NOT VOTING—16

Bailey	Glass	Overton	Smith
Caraway	Holman	Reynolds	Tydings
Clark, Mo.	Holt	Shipstead	Walsh
Donahey	Lundeen	Slattery	Wiley

So Mr. DANAHER's motion to recommit the bill to the Committee on the Judiciary was rejected.

Mr. DANAHER. Mr. President, in view of the vote, I think the fact should be called to the attention of the Senate that I made the motion for the reasons stated yesterday, and also in the belief that no possible harm could come were the motion to prevail, with the chance that a very real amount of good would ultimately be accomplished if the need for additional judges should later prove to be not established, or at least dissipated, as the result of pending legislation which will become effective. The fact that the Judiciary Committee has adequately considered the situation on the basis of present needs is clear. Feeling, as I do, that the confidence which we all have in the Judiciary Committee should be reasserted, I wish to state that on the question of the passage of the bill itself I shall vote for the bill.

The PRESIDENT pro tempore. The bill is still before the Senate and open to further amendment.

Mr. REED. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 2, it is proposed to strike out the words "district of New Jersey."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. REED. Mr. President, there are some other amendments to follow the one now pending. I am offering this amendment because of the peculiar circumstance that there has been a vacancy in the New Jersey district for 18 months, according to the information the Senator from Connecticut had, and for about 14 months according to the information given me today by the senior Senator from New Jersey.

I think it is a wholly inconsistent thing for this body to vote an additional judge for a district where the work is below the average per judge of the districts of the country when there has been a vacancy in that district, and the judge not working, for a year or more. Therefore, I offer the amendment to cut out of the bill the provision for that judge.

Mr. BARBOUR. Mr. President, my colleague [Mr. SMATHERS] was, I think, absent when the Senator from Kansas [Mr. REED] offered the amendment and first began to discuss it. I did not want action taken in my colleague's absence. Now, I am not going to repeat what I said earlier in this whole connection, so I will merely repeat that I join my colleague in hoping that the amendment will not be adopted.

Mr. SMATHERS. Mr. President, it is not my desire to take any additional time of the Senate. I am certain that my colleagues will be guided by the resolution of the New Jersey State Bar Association and of all of the other organizations which have gone on record in requesting this additional judgeship.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Kansas [Mr. REED].

ORDER OF BUSINESS—TRUTH-IN-FABRIC BILL

Mr. O'MAHONEY. Mr. President, before a vote is taken on the pending question, I desire to call to the attention of the Senate once more the situation which exists with respect to the truth-in-fabric bill. That measure was passed by the Senate on Friday last, and the senior Senator from Oklahoma [Mr. THOMAS], after the vote was taken, rose and entered a motion to reconsider.

It would have been quite possible for any one of the Senators who had voted for the bill immediately to have moved to reconsider and then to have moved to lay on the table the motion to reconsider, but the motion was not made, out of regard for the senior Senator from Oklahoma, who stated upon the floor that it was his purpose to seek some information with respect to the effect of the bill.

Yesterday when the Senate assembled, and the genial senior Senator from Arizona [Mr. ASHURST] announced that the judicial bill would be laid aside temporarily at any time for the consideration of the motion to reconsider, or for the substitution of the works-financing bill, some of us who were in favor of the truth-in-fabric bill, and who desired immediate action upon the motion to reconsider, called the attention of the Senate to the parliamentary condition in which the bill was, and at that time the senior Senator from Oklahoma announced that he was waiting for a telegram which would arrive in his office within a few minutes.

Thereupon, it being about 12:15 o'clock, I sought to obtain unanimous consent to fix a time for the consideration of the motion to reconsider. The Senator from Oklahoma was unwilling to grant that consent, and again out of courtesy to the desire of the Senator to obtain additional information, the friends of the truth-in-fabric bill refrained from making a motion to reconsider, and promptly moving to lay that motion upon the table.

Mr. President, it begins to appear, though I cannot say this with any definiteness, that the intention is to prevent the will of the Senate from being effectuated. Under the rules of the Senate, a motion to reconsider may be made during the next 2 days of actual session after a vote is taken. Yesterday was the first day of actual session after the vote was taken on the truth-in-fabric bill and today is the second day. The rules of the Senate were made for the purpose of effectuating the will of the Senate.

Mr. President, I am altogether unwilling to permit the judicial bill to be voted upon, or to permit any other business to be carried forward in this body, until the motion of the Senator from Oklahoma to reconsider the vote by which the truth-in-fabric bill was passed by the Senate last Friday shall be taken up for consideration.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. It had been my purpose upon the conclusion of the consideration of the judicial bill, which I think is near a vote, to cooperate in bringing up the motion to reconsider the vote by which the truth-in-fabric bill was passed, and if no other Senator made a motion to lay that motion on the table I intended myself to make it, in order that the matter might be speedily disposed of.

I think it is unfortunate and will be unfortunate if we are prevented by any method from voting upon the bill which is now pending merely because we have not yet reached a point where we can consider the motion to reconsider. I will cooperate completely and fully with the Senator, and I have no reason to believe that the Senator from Oklahoma has any desire to delay the consideration of his motion. But it is susceptible of easy disposition by the motion to which the Senator from Wyoming has referred, and I hope that the Senator will not carry out what seems to be the implication of his remarks, and prevent a vote on the pending bill until we can take up the motion and dispose of it, because the sooner we can dispose of the judicial bill the sooner we may dispose of the motion to reconsider.

Mr. O'MAHONEY. Mr. President, I am an inexperienced Member of this body——

Mr. BARKLEY. I should have to demur to that statement.

Mr. O'MAHONEY. I am not an expert in parliamentary procedure, but I will say to the Senator that during the course of the afternoon I have received some very valuable advice from the senior Senator from Arizona. The senior Senator from Arizona, meeting me in the cloakroom only about an hour ago, I think gave me some very wise advice when I was discussing this matter with him. He said, "Young man"—he complimented me by using that phrase.

Mr. BARKLEY. Not beyond the Senator's deserts.

Mr. O'MAHONEY. I thank the Senator. The Senator from Arizona said, "You must remember that the first rule of the Senate is lex talionis," the law of the claw.

Mr. BARKLEY. Did the Senator from Arizona explain the meaning of that to the Senator? [Laughter.]

Mr. O'MAHONEY. I said, "The law of the claw."

Mr. ASHURST. That sounded like the Senator from Arizona. [Laughter.]

Mr. O'MAHONEY. It was the Senator from Arizona.

Mr. BARKLEY. I really sincerely and seriously hope that we may dispose of the pending bill, and I can assure the Senator from Wyoming, and all other Senators interested in the truth-in-fabric bill, for which I voted, that I will do my level best—which is not always the best, but it is the best I can do to bring about an immediate disposition of the motion.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside in order that we may take up the motion of the Senator from Oklahoma.

Mr. BARKLEY. Mr. President, I hope the Senator will not make that request, because, frankly, I would be compelled to object to it. I think we might have disposed of the pending bill by now if we had been permitted to go ahead with it. The Senator knows, as all other Senators know, that I am trying my best, in a rather difficult situation, to facilitate the passage of legislation, for obvious reasons.

Mr. O'MAHONEY. Of course, and I sympathize with the Senator——

Mr. BARKLEY. I appreciate the Senator's sympathy, and I will appreciate his cooperation no less than his sympathy.

Mr. O'MAHONEY. Mr. President, I sympathize with the intention of the Senator to secure action upon legislative matters before this body. One of the legislative matters is the truth-in-fabric bill, which has already been passed——

Mr. BARKLEY. I agree.

Mr. O'MAHONEY. And I hope to have the cooperation, the immediate cooperation, of the Senator from Kentucky, and of all other Senators, to bring about action upon that matter.

Mr. BARKLEY. If the Senator will give me his immediate cooperation on the pending bill, I will give him my immediate cooperation on the other matter.

Mr. O'MAHONEY. Mr. President, may I ask for unanimous consent that immediately upon the passage of the judicial bill, or perhaps I should say the disposition of the judicial bill—and I thank Senators about me for the amendment—that the Senate shall proceed to the consideration of the motion to reconsider the vote by which the truth-in-fabric bill was passed.

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, when I may have the floor——

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BARKLEY. Mr. President, may I inquire of the Senator from Oklahoma what he means? I do not quite understand what he means by saying "When I may have the floor." Does he mean on his motion, or now?

Mr. THOMAS of Oklahoma. I want the floor.

Mr. BARKLEY. Did I understand the Senator to inquire whether he might have the floor now, or at the time his motion comes up? The Senator does not have to ask unanimous consent to get the floor.

Mr. THOMAS of Oklahoma. That is what I am asking.

Mr. BARKLEY. The point is whether, if consent is granted to take up the motion of the Senator immediately after the disposition of the pending bill, he is asking that he may have the floor at that time, or is asking that he may have it now.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. AUSTIN. May a Senator who has proffered a request for unanimous consent hold the floor?

Mr. O'MAHONEY. Mr. President, I had the floor when I proffered the request, and there has been no response as yet.

Mr. THOMAS of Oklahoma. Reserving the right to object——

The PRESIDENT pro tempore. It is customary in the Senate, if a Senator asks unanimous consent, to allow any other Senator who desires to state the reasons for his objection to make them known. That is the ordinary practice. Whether the Senator from Wyoming has the floor or not, he will be recognized after whoever desires to discuss the objection shall have finished. Does the Senator from Oklahoma object?

Mr. THOMAS of Oklahoma. Reserving the right to object, I ask for the floor.

The PRESIDENT pro tempore. Does the Senator from Wyoming yield the floor?

Mr. O'MAHONEY. Mr. President, I am trying to obtain an understanding among all the Members of this body. I see no reason why the Senator from Oklahoma should not state his position without calling upon me to yield the floor. I confess to the Senator that I am rather hesitant, because in my inexperience I do not know what new parliamentary procedure he may be proposing. I understood the other day that it was merely a matter of securing some information, and that the purpose of the Senator was not to interrupt or obstruct the consideration of the bill.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. On a unanimous-consent request, cannot the discussion be terminated at any time by any Senator calling for the regular order?

The PRESIDENT pro tempore. It can be. The question is on the request of the Senator from Wyoming. Is there objection?

Mr. THOMAS of Oklahoma. I object.

The PRESIDENT pro tempore. Objection is made.

Mr. O'MAHONEY. Mr. President——

The PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. O'MAHONEY. I desire to give notice that at the earliest opportunity, when I may secure the floor after action on the judicial bill, I shall move that the Senate proceed to the consideration of the motion of the Senator from Oklahoma, unless at this moment I may obtain the consent of the Senator from Arizona to make a motion on my own behalf to reconsider the vote by which the truth-in-fabric bill was passed.

Mr. ASHURST. I felicitate the Senator from Wyoming; I am very much in favor of the position he has taken; I am as much in favor of the bill he is championing as I am in favor of the judicial bill; I am in favor of both bills but we must be practical. The judicial bill is approaching a final vote. I believe we will vote on it within 30 minutes—certainly in 40 minutes. The Senator then surely can secure the floor to have the motion considered. The Senate was serious and in earnest when it voted for the truth-in-fabric bill. The Senate is not going to commit the futile action of considering a bill today, and then, forsooth, because some Senator entered a motion to reconsider another matter, find itself powerless to resume consideration of the bill it was considering.

Let us finish consideration of the pending bill.

Mr. HATCH. Mr. President, in order that the matter may be disposed of I will state that if the Senator from Arizona were to yield to the Senator from Wyoming in order that he might make the motion to take up the motion to reconsider, then it is my purpose, and I state it frankly, to move to table the motion of the Senator from Oklahoma so it can be disposed of.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. AUSTIN. Would not the chairman of the Committee on the Judiciary, the sponsor of the pending bill, by his own yielding displace the pending business?

Mr. ASHURST. I want to thank the Senator for his inquiry. I have no such power. I have no such influence. I simply insist in a modest way that we finish the business at hand. I am sure the Senator from Wyoming will have no opportunity——

Mr. O'MAHONEY. "No opportunity" is right. [Laughter.]

Mr. ASHURST. No—will have no trouble in procuring the floor. Let us finish consideration of the pending bill.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. There is one parliamentary inquiry pending. The Chair asks the Senate to give the Chair an opportunity to dispose of the pending parliamentary inquiry.

The Senator from Oklahoma [Mr. THOMAS] on July 21 moved that the vote by which the truth-in-fabric bill was passed be reconsidered. The Senator from Wyoming [Mr. O'MAHONEY] has asked unanimous consent that the motion be disposed of now. If, while the business under consideration is pending, another matter is taken up on motion, then the unfinished business is displaced.

Mr. AUSTIN. Mr. President, a further parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. AUSTIN. When such a request for unanimous consent is proposed, is it not in order to object to it?

The PRESIDENT pro tempore. It would be in order to object to it.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Kentucky will state it.

Mr. BARKLEY. Has the motion to reconsider the vote by which the truth-in-fabric bill was passed been entered?

The PRESIDENT pro tempore. It was entered on July 21.

Mr. BARKLEY. So that it is in order——

The PRESIDENT pro tempore. It is in order.

Mr. BARKLEY. It is in order at any time, and particularly would be at the conclusion of the pending business, to move to proceed to consider that motion?

The PRESIDENT pro tempore. It is within the parliamentary practice.

Mr. BARKLEY. I will state to the Senator from Wyoming, if he will permit me, that immediately upon the passage of the pending bill I will cooperate with the Senator to have that motion taken up, if I myself have to make the motion to take it up, and then move to table the motion to reconsider. I think the matter ought to be disposed of in order, and not interfere with the bill now under consideration.

Mr. O'MAHONEY. Mr. President, with the statement by the Senator from Kentucky, I am quite satisfied. Let me say that the position which I have taken before the Senate has been prompted by a desire to secure action by the Senate to carry out its will already expressed. And because I have been resisting what I have regarded to be, however mistakenly, a dilatory procedure, I myself am not willing to engage in a dilatory procedure against the consideration of and immediate action upon the pending bill. So, with the understanding which has already been expressed by the Senator from Kentucky, I shall not proceed to make any further request at this time to make any further remarks to the Senate, but immediately upon the disposition of the pending bill, I shall seek to obtain recognition by the Chair.

Mr. THOMAS of Oklahoma. Mr. President, I happen to represent in part, as best I can, one of the great cotton-producing States. My State produces approximately 1,000,000 bales of cotton a year. When the truth-in-fabric bill was before the proper committee, a subcommittee was appointed to consider it. The subcommittee consisted of Senators from the Northern States—the Senator from Wyoming [Mr. SCHWARTZ], a Northern State where no cotton is grown; the Senator from Minnesota [Mr. LUNDEEN], from a Northern State where no cotton is grown; and the Senator from Vermont [Mr. AUSTIN], likewise from a Northern State where no cotton is grown. I was not a member of either the subcommittee or of the main committee. I listened to the discussion of the bill on the floor of the Senate, and I desire now to take a very few moments to make a short statement.

Mr. President, on July 21 the Senate passed Senate bill 162, the so-called truth-in-fabric bill. During the debate on the bill, as it appears on page 9664 of the RECORD, the senior Senator from Vermont [Mr. AUSTIN] asked the senior Senator from Kentucky [Mr. BARKLEY] this question:

> How much, if any, would the market for cotton be impaired if one of the effects of the operation of this bill should be to reduce the production of goods made of mixtures of cotton and wool?

In part the Senator from Kentucky [Mr. BARKLEY] replied:

> Due to those circumstances the sale of cotton, to some extent, would probably be affected.
>
> Mr. AUSTIN. May I ask the Senator if he can state whether it is correct that a hundred million pounds of cotton go into mixtures with wool annually?
>
> Mr. BARKLEY. It has been a long time since I gathered the figures, but I would not in any way dispute the figures given by the Senator. A very large quantity of cotton goes into the manufacture of garments that are made of mixed wool and cotton.

Mr. President, if the figures mentioned by the Senator from Vermont are substantially correct, then 100,000,000 pounds of cotton, when measured in bales of 500 pounds each, means that some 200,000 bales of cotton are used annually in the wool-manufacturing industry.

The Senate subcommittee which held the hearings was composed of Senators from noncotton-growing States; hence the relation of wool to cotton and the amount of cotton used jointly with wool in producing cloth and such products as cotton blankets, worsteds, and mohair, using cotton warps, were given little, if any, consideration. I make no complaint of that, because the Senators did not represent cotton-producing States, and the question no doubt was not called to their attention. It was because of the development of this new possible adverse effect which the enactment of the bill might have upon cotton that caused me to enter the motion to reconsider the vote by which the bill passed the Senate.

Immediately after the motion was entered, I sent an inquiry to the National Association of Wool Manufacturers. I now send to the desk and ask to have read the telegram of inquiry which I sent to the best authority that I knew of.

The PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read as follows:

JULY 21, 1939.

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS,
386 Fourth Avenue, New York:

During consideration Schwartz wool bill it was admitted that vast quantities of cotton were used in conjunction with wool for making cloth. Please contact manufacturers making cloth from wool-cotton combination and advise estimate of amount cotton used annually in the manufacture of cloth containing both commodities.

ELMER THOMAS.

Mr. THOMAS of Oklahoma. Mr. President, that message was sent late last Friday. I expected an answer on Saturday. It did not come. But yesterday at noon, upon the convening of the Senate, I advised the Senate that I would receive a telegram shortly. I now send to the desk a message received at the telegraphic office here at 12:45 on yesterday, and I ask that it be read by the clerk.

The PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read as follows:

NEW YORK, N. Y., *July 24, 1939.*

Hon. Senator ELMER THOMAS of Oklahoma,
United States Senate Office Building:

Re your telegram July 21. Beg to advise that vast amounts of cotton are combined with wool in the manufacture of various types of textile fabrics for many purposes. Despite the fact that our association represents a large majority of the textile mills classified as wool textile mills, it will be necessary to get information on combined use of wool and cotton from mills considered cotton textile mills in order definitely to estimate annual volume of cotton so used. We are undertaking a survey to get this definite information from mills of both classifications immediately. At the same time we are asking these mills to advise us their opinion of the effect the pending bill will have on their use of cotton, that is, whether or not the present proposal enacted into law will increase or decrease the use of cotton by them and to what extent. We will immediately forward this information to you as quickly as received.

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

Mr. THOMAS of Oklahoma. Mr. President, to the cotton farmers in the cotton-producing States, facing the loss of a large part of their foreign trade and being forced to compete with new substitutes for cotton, it is all-important that nothing be done by their Government still further to reduce the demand for their product.

I have made a search of the hearings held by both the House and the Senate to see if I could find some testimony which would throw some light on the relation between wool and cotton when used in the same cloth. It so happens that a young Representative from my own State gave the only testimony that I found. I have in my hand the House hearings wherein Representative MIKE MONRONEY testified. I read only one paragraph from his testimony, on page 376 of the House hearings. Mr. BOREN, a member of the House subcommittee, from my State, asked Mr. MONRONEY the following question:

Mr. BOREN. I understand that you indicate it is your belief that this would be injurious to cotton raisers and the sellers of cotton that moves into the manufactured article?

Mr. MONRONEY. Very definitely.

Mr. MONRONEY is not the ordinary run of Members of Congress; and I do not limit that statement to the House of Representatives. I have served in both bodies. I have seen them come and go, and I know the ordinary run of Members of both the House and Senate. Mr. MONRONEY is not of that type. He comes from a wealthy family. His family made its money in the furniture business. Mr. MONRONEY grew up in the furniture business. I shall proceed to read his testimony, which shows that in the furniture business a vast amount of cloth contains wool, and at the same time it contains cotton.

Some of the finest tapestries and mohair finishings for furniture products contain as much as 75 percent of cotton and only 25 percent of wool. If furniture factories must label their furniture products "This product contains 25 percent wool and 75 percent cotton," what is the furniture buyer to do? I do not know; but I am fearful that the furniture buyer will look at some other product which does not have a portion of the product containing 75 percent of cotton.

Mr. President, I voted for the bill. I did not want to, but I had to. So far as wool is concerned, it is a good bill. I sympathize with the demand that we label our products properly if it can be done; but, as a result of the Monroney testimony before the House committee, carpets, rugs, and mattings were eliminated from the bill.

Mr. President, I am trying to obtain information. I want to know how the bill affects the cotton industry. Such information is not in the records. I tried to obtain information from the Census Bureau. The Census Bureau states that according to its records, in 1914, 28,000,000 pounds of cotton were used in the wool manufacturing industry. Twenty-eight million pounds of cotton means something like 56,000 bales. If the figures used by the Senator from Kentucky [Mr. BARKLEY] and the Senator from Vermont [Mr. AUSTIN] are accurate, 100,000,000 pounds of cotton are used annually. That means 200,000 bales.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I do not know to what extent the subcommittee went into that question in the consideration of this particular bill. However, I think it is fair to say that there is nothing new on the subject with respect to cotton being a component part of certain mixed fabrics. As I said to the Senator from Vermont [Mr. AUSTIN], when he asked me the question the other day, I did not recall the number of pounds of cotton which go into the manufacture of mixed products. However, in the hearings which have been held from time to time for the past 25 years within my knowledge, the question of the proportion of cotton going into mixed cotton-and-wool products has been gone into, and figures have been submitted.

So the matter of cotton entering into cotton-and-wool products is not really a new question. We went into it rather intimately years ago. I have not reexamined the hearings for a long time, and I was unable to answer the Senator from Vermont as to whether or not 100,000,000 pounds of cotton went into the manufacture of mixed fabrics. Assuming that that be true, however, it does not follow that in articles of furniture—which means upholstering of furniture—the knowledge of a customer that a certain proportion of the upholstering is cotton and a certain proportion wool would necessarily militate against the sale of that product, or against the use of cotton.

The only thing I had in mind, and still have in mind, is the possibility that in the purchase of wearing apparel such knowledge might have some effect. When a man is buying a suit of clothes, or a woman is buying a coat, suit, or something of that sort, the buyer might rather delude himself and we might rather delude ourselves into the belief that it is all wool, rather than that any part of it is cotton. We are all human in that regard. I would not be willing to say to the Senator, from my experience and observation, that the sale of 100,000,000 pounds of cotton would be affected by the passage of the bill, because I do not think the passage of the bill would militate against the use of that much cotton. It might in some small degree have some effect upon the sale of wearing apparel in which there is a mixture of cotton and wool. However, in upholstery and other materials in which the matter of personal pride does not enter, I doubt very much whether it would have any effect upon the sale of cotton, because frequently in upholstery and materials of that kind, and even in draperies, a mixture of wool and cotton rather adds to the wearability than otherwise.

Mr. THOMAS of Oklahoma. Does not the Senator from Kentucky realize that if the bill is enacted into law it will

require labels to be placed upon such things as shirts, ties, socks, underwear, and everything that contains wool?

Mr. BARKLEY. I do not think the bill goes that far.

Mr. THOMAS of Oklahoma. If the Senate bill should become a law, it would not go that far; but if the original bill as it came before this body should be enacted, anything that contained any wool, or that anyone suspected contained wool, or anything which was represented to contain wool, would be a wool product and would have to be labeled. That is what I objected to.

Mr. BARKLEY. The Senate has corrected that situation. Of course, the bill would have to go to conference unless the House agreed to the Senate amendments.

Mr. THOMAS of Oklahoma. As I understand, a similar bill is pending in the House. The two bills are not the same, but they are similar. The House has not passed the House bill. I cannot understand why the emergency is so great that one-half of the United States, which produces cotton, has not been given a fair opportunity to go into the matter.

Mr. BARKLEY. I think it ought to be said that during the quarter of a century in which I have been familiar with the subject, everybody has had an opportunity to be heard. Everybody who favored the legislation and everybody who opposed the legislation has had an opportunity to go into the subject; and volumes of testimony have been taken. It may be regrettable that an incomplete and probably an inaccurate and spontaneous response to a question asked by the Senator from Vermont the other day injected the cotton situation into the debate on this particular bill; but there was nothing new about the question. It was really so old that I could not remember the figures. Anybody who was interested in such legislation during all the time it has been considered for the past quarter of a century has had the opportunity to present his views. My recollection is, although I cannot recall the figures, that years ago testimony was submitted showing the amount of cotton that went into the manufacture of mixed products, and all other fabrics and component parts of fabrics that went into the manufacture of mixed products; so there is really nothing new in the subject.

Mr. THOMAS of Oklahoma. The only information I can obtain is from the Department of Commerce, from the telegram I have received from the cotton association, and from the brief extracts from the House hearings. The telegram from the organization which represents the woolen mills as well as the cotton mills states that vast quantities of cotton are used in the woolen-manufacturing business. The organization does not know how much is so used. It does not know the effect the bill would have on the cotton industry, but it has promised in the telegram to obtain and furnish the information as soon as possible.

If the Senate does not want that information, I do not want to force it upon the Senate. However, from the standpoint of my State, I want to do what I can to protect 1,000,000 bales of cotton grown in my State annually against a bill which might have a deleterious effect upon that cotton.

Mr. President, I do not want to hold up the bill indefinitely. I was in the Chamber yesterday afternoon on two occasions when other matters were under consideration. I did not care to inject the telegrams into the RECORD at that time, because they were all the information I had. I am perfectly willing to take up the motion and vote upon it as soon as we have the information. If that is considered too long a time to wait, I am willing now to enter into a unanimous-consent agreement that the moment we shall have concluded with the so-called lending-spending bill, which should not require more than 2 or 3 days, the next order of business shall be the motion to reconsider.

I am willing to enter into an agreement that debate at that time shall be limited to 15 minutes to a side, for all I want to do is to present my information. I do not think the lending-spending bill will take more than 2 or 3 days. By that time I shall have all the information I can gather; and at that time the motion could be laid before the Senate, I could present my additional information, and I would then be willing to take a vote.

Mr. President, in order to make the record clear, I shall submit a unanimous-consent request. As I understand, Senate bill 2864 is to follow the pending judicial bill. If that be true, I ask that at the conclusion of the consideration of Senate bill 2864 the motion to reconsider be laid before the Senate, and that debate shall be limited to 30 minutes—15 minutes to a side—whereupon the vote shall be taken.

The PRESIDENT pro tempore. Is there objection?

Mr. SCHWARTZ. I object.

Mr. O'MAHONEY. I object.

Mr. THOMAS of Oklahoma. Mr. President, that leaves me no alternative. I desire now to read——

Mr. ASHURST. Mr. President, will the Senator yield to me at this time?

Mr. THOMAS of Oklahoma. I yield for a question.

Mr. ASHURST. Mr. President, the Senator from Oklahoma has been ably supporting the Judiciary Committee in his insistence that an additional judge shall be provided for Oklahoma. I am converted. I believe the Senator from Oklahoma has made a case. Let us proceed, as practical men, with the business at hand. It is a well-known axiom of natural philosophy that one body cannot occupy two places at one and the same time. Let us proceed as men with the judicial bill and vote it up or vote it down. I shall be good natured, whatever may be done; whether it be voted up or whether it be voted down. And then let us take up other matters. But I submit that—not like children making mud pies, shaping one here and in a few minutes making another at some other place else, and letting the first one fall apart—we should proceed like sensible men to the business at hand and finish the pending bill.

Mr. BARKLEY. Mr. President——

Mr. THOMAS of Oklahoma. I yield for a question.

Mr. BARKLEY. Asking the attention of both Senators from Wyoming, may I suggest that the House of Representatives has not yet passed the proposed legislation affecting the truth-in-fabric matter. I think I may say to both Senators that the House will not pass upon such proposed legislation at this session. If we should send this bill over to that body today, in my judgment, the House would not act upon it before final adjournment.

In view of that situation, what would be really lost by agreeing to the request of the Senator from Oklahoma to pass upon the motion to reconsider immediately upon the conclusion of the bill which is to follow the judicial bill?

Mr. O'MAHONEY. Mr. President, the Senator from Oklahoma expressed the opinion that the legislation to which the Senator now refers will be disposed of in 2 or 3 days. From what I have heard around the Chamber, I am very much inclined to doubt the validity of that prophecy. It is my opinion that so soon as the judicial bill shall be disposed of the Senate will enter upon a prolonged discussion of the works financing bill. It is my understanding that the House committee, which is considering the companion measure to that offered by the Senator from Kentucky, has not as yet concluded its hearings.

Mr. BARKLEY. It has done so, I will say to the Senator.

Mr. O'MAHONEY. I am glad to know that, and that will, of course, help to expedite action. But it would seem to me to be altogether undesirable, so late in the session, to postpone the consideration of a mere motion to reconsider until discussion of any bill of such far-reaching importance as the works financing bill shall be concluded.

Mr. BARKLEY. Mr. President, let me say——

Mr. THOMAS of Oklahoma. Let me interject the statement that I am willing to agree that when the Senate convenes on Monday the first order of business, after the prayer, shall be the motion to reconsider, with a limitation upon debate.

Mr. BARKLEY. I appreciate the suggestion of the Senator from Oklahoma. The point I wanted to emphasize to both Senators from Wyoming—and I am in sympathy with their position—is that nothing would be lost by postponing the vote on the motion to reconsider for 2 or 3 days. I do not know how long the works financing bill will occupy the time of the Senate, but I do not think it will consume more than 2 or 3 days. If, however, it should consume a longer time, it would not be very material, because I can say to Senators that no effort will be made to adjourn the present session of Congress until that measure shall have been disposed of, one way or the other. So, in view of the situation in the House, and the unlikelihood of having the House act upon the truth-in-fabric bill at the present session, I do not see how time will be lost in the ultimate passage of the measure by waiting 2 or 3 days to pass upon the motion to reconsider. I am willing to agree to the suggestion of the Senator from Oklahoma. I would agree to fix Friday even or Thursday of this week as the date for a vote.

Mr. THOMAS of Oklahoma. This is Tuesday, may I say?

Mr. BARKLEY. Yes; this is Tuesday.

I would be willing to agree to vote at 12:30 o'clock on Friday on the motion of the Senator from Oklahoma, or on any other day this week, or not later than Monday.

Mr. THOMAS of Oklahoma. Mr. President, if this were an emergency matter, if someone was suffering, if someone was hungry, it would be different; but this is not that kind of bill. If this bill should pass, it would not go into effect for 6 months. So no harm can be done, in my judgment, by postponing the consideration of the motion by this body for 2 or 3 days and obtaining the information that is promised and that will be a benefit to one-half of the United States.

Mr. BARKLEY. Personally I think the Senator's request is not an unreasonable one. I myself am perfectly willing to accede to it if the Senator from Wyoming, the author of the bill, who made the report, would be willing to agree to vote on the motion to reconsider not later than 12:30 o'clock on Friday of the present week.

Mr. SCHWARTZ. Mr. President, I would be agreeable to that; but at the present time, in view of what the Senator from Oklahoma has been saying about cotton, I want to say something. The senior Senator from Arizona [Mr. ASHURST] just remarked that the Senator from Oklahoma had a good case. I have heard many plaintiffs who "had a good case" before the other side of the case was heard. I do not want for a moment to be precluded from stating the other side.

Mr. ASHURST. Mr. President, I meant the Senator from Oklahoma made a good case for an additional judge for Oklahoma. The able Senator from Wyoming must have misunderstood me. I think one of the great things the junior Senator from Wyoming and the senior Senator from Wyoming have done has been to secure the passage of the truth-in-fabric bill. It should have been passed 20 years ago. I congratulate those Senators. I said the Senator from Oklahoma made a good case, not on the truth-in-fabric bill but on the judges bill.

Mr. THOMAS of Oklahoma. Mr. President, that calls for an explanation. I have as yet made no speech and no statement on the judges bill.

Mr. ASHURST. The Senator handed me a brief, which I read, and which convinced me that Oklahoma should have an additional Federal judge.

Mr. THOMAS of Oklahoma. I am for the bill, I will say to the Senator from Arizona.

Mr. BARKLEY. Mr. President, if the Senator from Oklahoma will yield there, I will say that, of course, the Senator from Wyoming, upon being recognized by the Chair on this bill or on the next bill or any bill, can make a statement regarding the statement made by the Senator from Oklahoma.

If the Senator from Oklahoma will permit me—or he can do it himself—I should like to have the Senate agree now to vote on the motion to reconsider at 12:30 o'clock on Friday, as the colored man said, "irregardless" of what may then be before the Senate.

Mr. THOMAS of Oklahoma. Reserving the right to object, I will say that I think it would be unfair to cut off the junior Senator from Wyoming from making his explanation. It would be unfair to fix a time to vote on the motion in such a way that I could not even submit the telegrams which I am sure I shall receive. If the Senator will fix the time for a vote at 12:30 o'clock Friday, and provide a limited amount of time for debate on either side, that will be agreeable to me.

Mr. BARKLEY. If the Senator will yield, I ask unanimous consent that upon the assembling of the Senate on Friday the motion to reconsider the vote by which the truth-in fabric bill was passed shall be taken up for consideration, and that at the end of 1 hour's debate, to be equally divided and controlled by the Senator from Oklahoma and the Senator from Wyoming, the Senate shall proceed to vote on the motion to reconsider.

The PRESIDENT pro tempore. Is there objection?

Mr. O'MAHONEY. Mr. President, reserving the right to object, merely that I may understand clearly the request of the Senator from Kentucky, it is, as I understand it, that immediately upon the convening of the Senate on Friday next the motion to reconsider the vote by which the truth-in-fabric bill was passed shall become the unfinished business of the Senate, regardless of any other measure before the Senate at that time, which shall be temporarily laid aside; that there shall then be 1 hour's debate, one-half of which shall be under the control of the Senator from Oklahoma [Mr. THOMAS], who has made the motion to reconsider, and one-half of which shall be under the control of the Senator from Wyoming [Mr. SCHWARTZ], who has sponsored the proposed legislation, and that, at the end of the hour's debate, there shall be a vote without further debate.

Mr. BARKLEY. That is correct. The Senator understands the request accurately, except there is, probably, one point which should be suggested, namely, that the unfinished business of the Senate on Friday, whatever it may be, shall at the assembling of the Senate immediately be temporarily laid aside, and the motion to reconsider become the special order, to be concluded at the end of an hour's debate, as has been suggested.

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, I will ask if the Senator from Kentucky will not include in his request that a motion to lay on the table shall not be in order during that hour?

Mr. BARKLEY. I do not know whether such an unanimous-consent agreement would be in order. It could not be in order, I will say, in my judgment, for there could not be a vote on the motion to reconsider until the end of the hour. At the end of the hour, if no motion were made to lay on the table, the vote would come on the motion, and then a motion to lay on the table would be in order.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. The Senator from Oklahoma has the floor.

Mr. O'MAHONEY. Will the Senator yield to me?

Mr. THOMAS of Oklahoma. I will yield for a question.

Mr. O'MAHONEY. In order that I may clear up the question which the Senator from Oklahoma has addressed to the Senator from Kentucky, I am very happy to say to the Senator from Oklahoma that it is my understanding that under such a unanimous-consent agreement a motion to lay on the table could not be presented; and I, for one, would not present such a motion.

Mr. BARKLEY. That is my understanding.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Oklahoma has the floor and will state his parliamentary inquiry.

Mr. THOMAS of Oklahoma. If the Senate enters into a unanimous-consent agreement to take up a certain matter at a certain hour, and that 1 hour thereafter the debate shall close and a vote shall be had, the inquiry is, Would a motion to lay upon the table be in order during that hour?

The PRESIDENT pro tempore. The Chair would hold that it would be inconsistent with the intent of the unanimous-consent agreement, and therefore that a motion to lay on the table would not be in order.

Mr. BARKLEY. Mr. President, it has been frequently stated by presiding officers that the Senate may do anything by unanimous consent. In order that there may be no doubt about the matter, I include in my unanimous-consent request a modification to the effect that no motion to lay on the table the motion of the Senator from Oklahoma shall be in order until the conclusion of the hour of debate.

Mr. O'MAHONEY. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I may say that the purpose of a motion to lay on the table is simply to shut off debate.

Mr. BARKLEY. That is correct.

Mr. O'MAHONEY. So that when there is a unanimous-consent agreement to limit debate, a motion to lay on the table would be altogether out of order and would be unnecessary, because a vote upon the original motion to reconsider would dispose of the question.

Mr. BARKLEY. I agree to that statement. That is correct.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Maine?

Mr. THOMAS of Oklahoma. I yield for a question.

Mr. WHITE. As I understand the unanimous-consent request, it is contemplated that on Friday there will be 1 hour of debate, one-half of the time to be controlled by one Senator, and the other half of the time to be controlled by another Senator.

I recognize the practice of the House of Representatives of permitting Members of that body to control the time, and to deal it out as those Members see fit to the other Members of the body, but I submit that that is a practice which ought not to be engrafted upon the senatorial system. I do not mind at all the limitation of 1 hour's debate, but I think the general rules of the Senate with respect to the right of a Senator to recognition and to speech should be followed, and that a Senator should not be relegated to the grace of some other Member of the body if he wants to discuss a measure.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. THOMAS of Oklahoma. Yes.

Mr. BARKLEY. For 50 years the Senate on special occasions has disposed of the time for debate in that precise way. It is not a practice that I would sanction as a general thing in the Senate to anywhere near the extent to which it prevails in the House; but under special circumstances the Senate frequently has adopted such a procedure, and I think there is nothing vicious about it now and then.

Mr. WHITE. Mr. President, I think it is a thoroughly vicious practice; and I dislike to see the Senate further commit itself to that method of controlling and regulating debate in this body.

I am not going to object to the unanimous-consent request, but I think the inclusion of any such provision in a unanimous-consent request is unwise. If there be a precedent, it is strengthening an unfortunate and an unwise precedent that we should not encourage in the future.

Mr. THOMAS of Oklahoma. Mr. President, in reply to the distinguished Senator from Maine, let me say that if this agreement is reached, I now make the statement that I shall not use in excess of 15 minutes. That will leave 15 minutes free for anyone who may be a proponent of the motion to reconsider.

The PRESIDENT pro tempore. The Senate has heard the unanimous-consent request of the Senator from Kentucky as modified. Is there objection? The Chair hears no objection, and the modified agreement is entered into.

ADDITIONAL DISTRICT AND CIRCUIT JUDGES

The Senate resumed the consideration of the bill (S. 2185) to provide for the appointment of additional district and circuit judges.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. REED].

The amendment was rejected.

Mr. REED. Mr. President, I offer a further amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, lines 2 and 3, it is proposed to strike out the words "western district of Oklahoma."

Mr. REED. Mr. President, among the absurd things in the bill, the clause I propose to strike out I think is perhaps the most absurd.

The State of Kansas, lying immediately to the north of Oklahoma, has one Federal district judge. If I correctly understood the junior Senator from Oklahoma [Mr. LEE] the other day, Oklahoma now has four Federal district judges. Am I correct?

Mr. LEE. Yes, Mr. President.

Mr. REED. The junior Senator from Oklahoma agrees. The bill proposes to give Oklahoma a fifth judge. Geographically, the two States are the same size. The Senator from Oklahoma the other day called my attention to the fact that Oklahoma has 2,600,000 population, and Kansas has something less than 2,000,000. The table of cases filed in the courts last year shows a considerable number in the western district of Oklahoma, but it also shows that in the eastern district of Oklahoma only 42 civil cases were filed in which the Government had an interest, and 72 cases were filed in which the litigants were entirely private litigants.

When there are four district judges in the same State, if the work in one district is heavy and in the other and adjoining districts it is light, it ought not to be difficult for the judges themselves to adjust the matter, and certainly the bill now pending before this body providing for an administrator in the judicial system would take care of a situation of that kind.

There is no personal feeling on my part about this matter. It just seems to me to be absurd that the State of Oklahoma, with 2,600,000 people, and with four Federal district judges now, should be given a fifth Federal district judge. It does not make sense. It has no rhyme or reason, and the amendment I have offered ought to prevail.

Mr. LEE. Mr. President, the genial Senator from Kansas [Mr. REED] has next selected Oklahoma for the slaughter. I do not know where the Senator's figures originated. I should have to look at them to be sure. Otherwise I would not have an opportunity to know.

Mr. REED. Mr. President, will the Senator yield?

Mr. LEE. However, I am going to quote from the annual report of the Attorney General of the United States for the fiscal year ended June 30, 1938, in support of the figures I shall offer.

As to the geographic comparison of Oklahoma and Kansas, or even the comparison from the standpoint of population, those are not necessarily conclusive arguments as against the provision for an additional judge. We need judges in proportion to the case load, and I propose to show that Oklahoma needs an additional judge. I go further

than that and say that Kansas needs an additional judge. I am not in a position to say what the Senator from Kansas would do if the situation were reversed and we had a Republican administration which was asking for these judges. I am not prepared to say what the Senator would do, but I will say that according to the Judicial Conference, Kansas needs an additional judge.

Kansas last year had a case load of 592 for the entire State. Oklahoma had a case load of 2,090 for the entire State. Oklahoma needs an additional judge; Kansas needs an additional judge; and the Judicial Conference, presided over by the Chief Justice of the United States, and composed of the senior circuit judges of the 10 circuits plus the senior judge of the District of Columbia, recommended an additional judge for the State of Kansas, and recommended an additional judge for the State of Oklahoma. The Senators from Oklahoma believe that we should have the additional judge in accordance with the recommendation of the Judicial Conference.

We further believe that the Attorney General was correct when he also recommended an additional judge not only for Oklahoma but for the State of Kansas, because of the case loads in the two States.

The case load in western Oklahoma is considerably greater than the average per judge for the entire country, and is growing greater year by year. During the fiscal year ending June 30, 1938, the number of civil and criminal cases filed in the western district of Oklahoma was 545, as against 371 cases per judge for the entire country.

Mr. REED. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. REED. Will the Senator be good enough to put in the corresponding figure for the eastern district of Oklahoma, which lies right next to the western district, so as to reduce the two Oklahoma districts to a common denominator? The work in one of them is heavy; in the other it is very light. They could be equalized, so far as the case load on the judges is concerned, merely by one judge helping the other.

Mr. LEE. If the Senator has the figures, I should be glad to have him submit them. Since the eastern district was not in controversy, I did not think to have the figures available.

Mr. REED. Mr. President——

Mr. LEE. If the Senator is about to read from the same source from which he read a while ago, I should say the figures were so far wrong that I should object to them going into the RECORD at this point. The Senator read something about 42 cases. I have quoted from the highest authority, the Annual Report of the Attorney General of the United States, for 1938, in which he reports that for the western district there are 545 cases, civil and criminal.

Mr. REED. Mr. President, I have referred only to matters put into the RECORD by members of the Committee on the Judiciary. What I have referred to is taken from an article written by Judge Otis, and he bases his information on the actual facts in the districts themselves, and I think as taken from the Attorney General's report. I was referring only to the civil cases, cases in which the Government was concerned, or where there were purely private litigants, because it is generally agreed among the lawyers here that criminal cases are quickly disposed of. In attempting to make a comparison, I have discarded the criminal cases, and confined my statement to civil cases. The information I read was taken from Judge Otis' report which, in turn, I understand, is official information taken from the Attorney General's report.

Mr. LEE. The Senator is entirely welcome to his complete reliance upon the quotation for his own information. However, I prefer the text of the Annual Report of the Attorney General of the United States for the fiscal year ended June 30, 1938.

There are three judicial districts in the State of Oklahoma, northern, eastern, and western, with one judge for each district and an additional judge serving in all districts; but in spite of the fact that Oklahoma has four Federal judges, the case load per judge is 174 cases greater than the number of cases per judge for the entire country.

Again, let us compare the State of Oklahoma with other States of approximately the same population which also have four judges. For example, take the States of Virginia, Louisiana, and Tennessee. Each of these States has approximately the same population as Oklahoma. Likewise, each of these States has four judges, but of the cases terminated during the fiscal year 1938, none of these States exceeded 1,500, whereas the case load in Oklahoma for that period was 2,090.

Mr. President, I ask unanimous consent to have printed at this place in my remarks a brief table supporting my last statement.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Statement showing the number of district judges in the State of Oklahoma as compared with other States having 4 judges and approximately the same population

State	Number of districts	Population, 1930 census	Number of district judges	Number of cases terminated during fiscal year 1938
Oklahoma	3	2,396,040	4	2,090
Virginia	2	2,421,851	4	1,345
Louisiana	2	2,101,593	4	1,173
Tennessee	3	2,616,556	4	1,442

Mr. LEE. Thus it will be seen that Oklahoma had 548 more cases last year than the nearest State to her, which is Tennessee, having a case load of 1,442, and had a load of 817 more cases for that period than the State of Louisiana, and 645 more than the State of Virginia.

Again, the heavy burdens of the cases tried by district courts in Oklahoma is borne out further by the number of appeals made from district courts to the Tenth Circuit Court of Appeals. In the fiscal year ending June 30, 1937, a total of 48 cases were appealed from Oklahoma. This was the highest number of cases appealed from any of the six States in the tenth circuit, the next State to it being Kansas, where 41 cases were appealed, and the next State being Colorado, where 14 cases were appealed.

In the fiscal year ending June 30, 1938, a total number of 52 cases were appealed from Oklahoma, whereas only 39 were appealed from Kansas. This trend shows how the case load in Oklahoma is increasing.

The State Legislature of Oklahoma, at its last session, passed a law establishing a permit system for the sale of spirituous liquors for certain exempted purposes. This permit system, according to the general counsel of the Bureau of Internal Revenue, makes Oklahoma the only State in the Union which has the protection of the Federal Government from the importation of liquor. Consequently, there will be an increase of Federal cases in Oklahoma.

The case load in Oklahoma is heavy because almost half of the Indian population of the United States resides within that State. These Indians are the wards of the Federal Government and Federal courts have jurisdiction of the cases affecting not only the Indians but their lands.

Now, therefore, I submit that Oklahoma needs this additional district judge for the western district, as shown by comparison of the case load of other States of similar population, as shown by the comparison of the case load of 545 per judge in Oklahoma as against the case load of 371 per judge throughout the country.

Mr. THOMAS of Oklahoma. Mr. President, the State of Oklahoma, either fortunately or unfortunately, is not like the other States of the Union. We have territory embraced within our State as other States have, but in that territory

we have a greatly diversified set of jurisdictions. In addition to that, there are in the State 2,600,000 people, with the north half of the State one kind of a State, the southern half another kind. By that I mean that in the north the people raise corn, wheat, alfalfa, and similar crops, and in the southern half they raise cotton and kindred products.

In addition to having a State with such a population of the regular kind, we have in Oklahoma almost one-half of the entire Indian population of the United States. One hundred and forty thousand Indian citizens live in Oklahoma. Those 140,000 Indian citizens are divided into 52 tribes, and remnants of tribes. Each tribe has its own reservation, and its own allotments under certain laws, and no two are alike.

On great numbers of these Indian reservations oil and gas are found. The title to the land has to be adjusted under the laws pertaining to the various reservations. That means that in my State the time of at least two Federal judges is needed to take care of the Indian litigation, cases growing out of Indian problems.

For example, one circuit judge has worked for 2 years trying to adjust the affairs of one estate, the so-called Jackson Barnett estate. Jackson Barnett was a poor, forgotton Creek Indian. He had a piece of land which no one would have. But oil was discovered upon his allotment, and from the time oil was found on the Barnett allotment, royalties accrued which have amounted to more than $3,000,000. When Barnett died a few years ago there was this great estate, to be probated.

Barnett had no known descendants, and no known heirs. Probably 500 people have laid claim to a part of the Barnett estate. Those 500 claimants were represented in the Federal court by upward of 100 attorneys, and it has taken Judge Williams 2 years to go into the case, to hear the evidence and the arguments, and to read the depositions, and even yet a decision has not been reached.

Mr. President, Oklahoma is different from the ordinary State in that we have the Indian problem, with many reservations, every reservation having its own private system of laws, which must be interpreted. I submit that is an additional reason why the courts of our State are far behind in their several dockets.

The western district in Oklahoma takes in the western half of the State, embracing the capital, Oklahoma City, a city of from 225,000 to 250,000 inhabitants, and, of course, a great deal of business gravitates toward the State capital. It is for that district that we desire to have an additional judge.

Mr. LEE. Mr. President, I wish to supply the figures which the Senator from Kansas requested concerning the eastern district of Oklahoma. I have just tabulated them. The cases add up to 774. The reason why the courts are able to handle that many is because of the roving judge, who holds court in the eastern district, and helps in the work.

Mr. REED. How many of those cases are criminal cases?

Mr. LEE. Six hundred and forty-one cases.

Mr. REED. There is quite a distinction. I have omitted, in giving the figures for my State, all criminal cases, unless I otherwise stated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Kansas, on page 2, lines 2 and 3.

The amendment was rejected.

Mr. REED. I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out all of lines 5 and 6, as follows:

(c) One, who shall be a district judge for the northern and southern districts of Florida.

Mr. REED. Mr. President, I have had about the luck that I expected to have, and after the pending amendment shall have been disposed of I shall take about 5 minutes of the time of the Senate to discuss the general proposition.

I now wish to take about 2 or 3 minutes to develop the part that Florida is playing in this tremendous scandal, a national scandal arising from the creation of additional Federal judgeships, for which there is no justification whatever, specifically as shown when dealing with the Florida question. There was a time following the great boom in Florida, back in 1925, when everyone down there went crazy about the value of land, and then went broke. There was a tremendous amount of litigation. It reached a peak sometime between 1925 and 2 or 3 years ago. I wish to show the situation as it is at the present time, using the basis that has been used, which the Senator has most cheerfully disregarded, and which is perfectly all right with me. It is not my basis. It is the basis used by one of the very ablest Federal judges in the United States, and put into the RECORD by the Judiciary Committee members themselves. I have not departed in a single respect from the information which the committee members themselves put into the RECORD.

I wish to refer to Florida. The southern district has a heavier load than the northern district. Eliminating criminal cases—and I wish very cheerfully to admit to my good friend the Senator from Oklahoma that the criminal load in Oklahoma is a great deal heavier than the criminal load in Kansas——

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. REED. I certainly do.

Mr. THOMAS of Oklahoma. A large number of our population came from Kansas, I will say to the Senator. [Laughter.]

Mr. REED. That was the kind that had to leave our State [laughter], and they found a resting place in Oklahoma, and most unfortunately many of them have never recovered from the habits which made us put them out of Kansas.

Mr. LUCAS. Why is the Senator so strongly against the Oklahoma and Florida judgeships?

Mr. REED. Mr. President, what did my distinguished friend, the Senator from Illinois say? I do not know where he got his chips, anyhow.

Mr. SMATHERS. He got them at the same place where the Senator from Kansas got his.

Mr. BARKLEY. Mr. President, I hope the Senator from Kansas will not permit himself to be interrupted now in the consideration of the bill. He has a right to the floor and he does not have to yield. I wish to protect the Senator in the enjoyment of his exclusive right to the floor.

Mr. SMATHERS. I should like to suggest that the Senator from Kansas allotted himself 2 minutes, and the 2 minutes are up.

Mr. REED. I thank the distinguished Senator from Kentucky. I have always yielded, and with a smile, if you please. I have wanted to conduct the debate as courteously and as fairly as could be done, and in as good nature as the seriousness of the subject will permit. I am going to take 5 minutes when we come to the closing consideration of the bill, when the Senate is ready to vote on the bill. Then I shall take 5 minutes to state some conclusions upon this kind of stuff.

Mr. BARKLEY. I am so anxious to get to that 5 minutes that I am rather impatient that we move forward now.

Mr. REED. I may suggest to the Senator from Kentucky that the Senator from Oklahoma and the two Senators from Wyoming and the Senator from Kentucky between them delayed—I am not fixing the responsibility, I am only stating the fact that those four Senators, between them, delayed the disposition of the bill for quite a long time. I am talking, and have talked, directly to the merits of this particular bill at all times.

If we consider the civil cases in the northern district of Florida filed in 1938—the fiscal year ending June 30, 1938, to which Judge Otis applied his measuring stick—there were

304 civil cases in the southern district, mind you, and 156 in the northern district. Added together and divided by two, they give an average of 222.

Again, Florida is a State within which there are two district judges. It is easy enough to arrange for help between one district whose courts are heavily loaded, and another district which has a very light load.

Certainly a condition of that kind does not justify the Senate, notwithstanding the recommendation of the Committee on the Judiciary to the contrary, to increase the number of Federal judges.

SEVERAL SENATORS. Vote! Vote!

Mr. KING. Mr. President, yesterday I discussed at some length the bill under consideration and I shall not consume much of the time of the Senate in further discussion. I desire, however, to repeat what I said yesterday, that in my opinion there are no sufficient reasons to justify the passage of the bill before us. There seems to be a mania to increase Government agencies and add to the great army of Federal employees. This mania manifests itself in connection with the judiciary. Many judicial districts have been created of late and a large number of judicial positions created. The movement for additional Federal judges has been greatly accelerated during the past quarter of a century and the movement seems to be increasing in volume if not in velocity.

As I stated in my remarks yesterday during the administration of President Harding provisions were made for the appointment of 26 additional district court judges and one circuit court judge. Not content with this great increase, Congress, during the administration of President Coolidge, provided for 2 circuit court judges and 22 district court judges. Notwithstanding this deluge of new judges soon after President Hoover had been inaugurated additional efforts were made to increase the number of Federal judges. Congress, responding to the spirit of the times, passed measures authorizing the appointment of nine district court judges and two circuit court judges. I have before me the districts and circuits to which these judges were assigned, but the demand for an increase in the courts was not satiated with the creation of the districts to which I have referred.

During the administration of President Roosevelt large additions have been made to the Federal judiciary. During the past 6 years Congress has passed acts authorizing the appointment of 41 district court judges and 7 circuit court judges.

Following the defeat of the bill to increase the number of judges of the Supreme Court of the United States, Congress gave consideration to the question of still further multiplying the number of judges and in 1938 measures were passed providing for 17 additional district judges and 5 additional circuit court judges. I did not believe that the condition of the courts required additional judges nor did I believe that the creation of so large a number of judicial positions under the administrations of Presidents Harding, Coolidge, and Hoover was justified.

It is unnecessary to add that I have not approved of the large number of judicial positions which have been created under the administration of President Roosevelt.

An impartial study of the article prepared by Judge Merrill E. Otis, which was placed in the RECORD last Friday, will demonstrate that too many Federal judges have been appointed and that the present demand for additional judges is without warrant unless perhaps one may be needed in the southern district of New York.

It has been shown during the discussion of this bill that the work of the courts is decreasing and that the number of cases is falling off and the legitimate demands for increased judicial machinery are not warranted. In my opinion, there has been too much pressure, certainly during the past quarter of a century, for the creation of additional judicial districts and the appointment of additional Federal judges. Without being critical, I cannot help but believe that our judicial machinery has not been employed to the extent which it was capable. Members of the bar, in my opinion, have contributed to the delays of the courts in the handling of cases pending in the courts. The record shows that there has been a decline in the number of actions brought in the Federal courts.

Notwithstanding the decline, demands have been made for additional judges. There have been, as I recall, approximately 100 additional judges within the past few years. And the record now shows that there are approximately 309 Federal judges and 15 upon the retired list. The bill under consideration calls for two additional circuit judges and six additional district judges.

During the past quarter of a century in nearly every session of Congress measures have been introduced to increase the number of judicial districts. I am repeating when I say that pressure has been brought to create additional judicial districts and to augment the number of judges. It is believed by many that political considerations have not always been absent in passing upon this important question.

I adverted to the fact, in my address yesterday, that the judiciary was the most important branch of our Government and should be absolutely free from politics. However, there are evidences that political considerations have not always been absent in the creation of new judicial districts and in the appointment of additional judges.

The Senator from Kansas has just condemned the efforts to secure additional judges and has indicated that the same are unworthy.

During the discussion yesterday it was clearly shown that there was no justification for the creation of additional judicial districts, and there was a complete absence of any reason that would warrant providing an additional judge for Florida and also for Oklahoma. The same may be said concerning the provision for an additional judge for southern California.

However, the forces behind this bill are so powerful that opposition will be unsuccessful. It is quite likely that in the next session of Congress new demands will be made for the creation of additional Federal districts and for the appointment of additional circuit and district judges. If the Senate did its duty, it would defeat this bill and give notice to the country that no additional Federal judges shall be provided for until the evidence conclusively shows that they are imperatively needed.

I shall vote against the bill and regret that the opposition will not be sufficient to defeat it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Kansas, on page 2, lines 5 and 6.

The amendment was rejected.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

Mr. REED. Mr. President, I thank the Senators from New Jersey very much for letting me handle my own affairs in my own way and in my own time. I shall try not to occupy too much of the time of the Senate. The votes have been very overwhelming against my proposed amendments, as I had expected. The votes are very significant. However, they are not indicative of the maintenance of a sound public policy. I do not want the Senators who are in the Chamber now to think that their vote today can make an unsound public policy into a sound public policy. Litigation in this country has decreased, as the Senator from Utah said. In the face of decreasing litigation and of the need for fewer judges, there has been an increase of 100 Federal judges in recent years, and we now have before us a bill, upon which we are voting today, which proposes further to increase both the circuit court judges and the district court judges, in contravention of every existing fact, and every bit of information as to the trend of litigation in the country.

I cast no personal reflections upon my good friend from Arizona, the Chairman of the Judiciary Committee. I have

no feeling about any of these cases. I number among my friends particularly the distinguished Senator from Vermont [Mr. AUSTIN], a very warm friend who sits on my side of the Chamber. I do say upon my responsibility as a Senator of the United States that the Senate today has done a bad job from the standpoint of what would be an honest, decent, courageous, and straightforward policy regarding the Federal judiciary of the United States of America.

All the overwhelming "ayes" by which the bill may be passed will not change the accuracy or the soundness of that statement.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. ASHURST. I am far from being irritated. The Senator is secure from my prejudice. Whenever a Senator so manfully and boldly champions the view he entertains, he is secure from my prejudice. I respect him rather than otherwise.

However, Mr. President, on one side are the Attorney General, the judicial conference, the special committee, and the Senate Committee on the Judiciary. They may all be wrong, and the Senator from Kansas may be right. I scarcely think so. However, I repeat that the Senator from Kansas is secure from my prejudice, as is anyone who so manfully argues what he believes.

Mr. President, that is all I desire to say.

Mr. REED. The Senator's committee could not follow the judicial conference, and did not follow the judicial conference. The committee could not follow the Attorney General, and did not follow the Attorney General. Therefore, the conclusions of the judicial conference and of the Attorney General were not regarded by the committee as sound and conclusive. Is that correct?

Mr. ASHURST. That is correct. The majority of the Senate Committee on the Judiciary did not agree that the entire number of judges asked for by the judicial conference and the Attorney General were necessary at this time. The committee should not be blamed for erring, if it erred. Taking the view of the Senator from Kansas, we erred on the side of conservatism and prudence.

Mr. President, I ask for a vote on the bill.

Mr. REED. Mr. President, I was praising the committee for taking the attitude it took. I am citing that circumstance only to point out that not even the judicial conference, presided over by the Chief Justice of the United States, could make or did make a report which was acceptable to the Senator's committee. The same observation applies to the Attorney General. When Senators, in support of an additional judge for their State, quote such support as comes from the judicial conference or from the Attorney General, I leave the action of the Judiciary Committee as a complete answer to the fallibility or infallibility of such organizations.

The PRESIDENT pro tempore. The question is, Shall the bill pass.

The bill (S. 2185) was passed.

Mr. ASHURST. Mr. President, I may not be in the Chamber if and when conferees are appointed. If I should be absent, I respectfully request that the Senator from New Mexico [Mr. HATCH], the Senator from Nebraska [Mr. BURKE], the Senator from Kentucky [Mr. LOGAN], the Senator from Vermont [Mr. AUSTIN], and the Senator from Connecticut [Mr. DANAHER] be appointed conferees on the part of the Senate if it becomes necessary to appoint conferees.

I may be a little premature. I merely ask the Chair to appoint the Senators whom I have named as conferees on the part of the Senate if and when the time arrives for the appointment of conferees.

The PRESIDENT pro tempore. If and when conferees are appointed, if the present occupant of the chair is then in the chair, he will announce that the Senators named are appointed conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 839) to amend the Retirement Act of April 23, 1904, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAY, Mr. THOMASON, and Mr. ANDREWS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5375) to promote nautical education, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLAND, Mr. SIROVICH, Mr. RAMSPECK, Mr. WELCH, and Mr. CULKIN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6746) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLAND, Mr. SIROVICH, Mr. RAMSPECK, Mr. WELCH, and Mr. CULKIN were appointed managers on the part of the House at the conference.

PROGRAM FOR FINANCING RECOVERABLE EXPENDITURES

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2864, Calendar No. 936.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2864) to provide for the financing of a program of recoverable expenditures, and for other purposes.

Mr. WAGNER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Russell
Andrews	Downey	Lee	Schwartz
Ashurst	Ellender	Lodge	Schwellenbach
Austin	Frazier	Logan	Sheppard
Bailey	George	Lucas	Shipstead
Bankhead	Gerry	Lundeen	Smathers
Barbour	Gibson	McCarran	Stewart
Barkley	Gillette	McKellar	Taft
Bilbo	Green	McNary	Thomas, Okla.
Bone	Guffey	Maloney	Thomas, Utah
Borah	Gurney	Mead	Tobey
Bridges	Hale	Miller	Townsend
Brown	Harrison	Minton	Truman
Bulow	Hatch	Murray	Tydings
Burke	Hayden	Neely	Vandenberg
Byrd	Herring	Norris	Van Nuys
Byrnes	Hill	Nye	Wagner
Capper	Holman	O'Mahoney	Walsh
Chavez	Holt	Overton	Wheeler
Clark, Idaho	Hughes	Pepper	White
Clark, Mo.	Johnson, Calif.	Pittman	
Connally	Johnson, Colo.	Radcliffe	
Danaher	King	Reed	

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Eighty-nine Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President, I realize that after 5 hours of a session of the Senate we are rather at a disadvantage in attempting to begin at this hour of the day the consideration of a bill of the importance of the one now under consideration. However, I wish to make a general statement concerning the measure, its background, the reasons for its introduction, and, in a general way, what it attempts to do.

Since 1929 or 1930 we have been progressively engaged in bringing more and more to bear upon our social and economic problems the authority, influence, and cooperation of the Federal Government. However regrettable the necessity for this may be, however much we might have preferred that the course of our economic, industrial, and social life might have made it unnecessary for the Government of the United States to engage in many of the activities which it has undertaken as a result of this condition, we have been confronted, as a great President once remarked, with a condition and not a theory.

I dare say that if the course of our economic life had gone along in the ordinary sequence of events, there would have been no demand by the people that the Government of the United States engage in many of the activities which it has undertaken in the past 6 or 8 years; and there would have been no necessity for the Government, as such, to have placed at the disposal of the American people its taxing power, its credit, and its cooperation in undertaking to guide the people out of the morass of depression and despondency toward what might be hoped to be the enjoyment of all the abundent resources with which our country has been blessed by nature.

But the conditions which have faced this Nation and the world since 1929 and 1930 have been of such a character as to make it incumbent upon the Government of the United States to indulge in activities probably not contemplated by the men and women of a previous generation. I say that all of us probably would have preferred that this necessity had not existed, unless there be some among us who, in advocacy of some theory, would prefer to see the Government engage in these activities in the normal course of the exercise of its functions.

We have in this country unbounded resources; we have almost unbounded credit; we have almost unbounded reserves of money and credit. The Federal Reserve Board on yesterday made public a statement showing the gradual improvement in business conditions over a period of several weeks or months, and a week or so ago it also released information showing that the peak of reserve credit in this country has almost again been reached. Notwithstanding the fact that we have unbounded credit and unbounded resources, and that we have a reserve which has been multiplying and accumulating over a period of years, drawn from nearly every other nation in the world, due to world conditions, we still have a very serious economic condition, involving the unemployment of almost 10,000,000 able-bodied men who are anxious to work, who desire to make their contribution toward recovery and toward the enjoyment of normal life in this Nation but who are without employment today, by no fault of their own.

Whether this situation has been produced by any shortcoming of Government in previous years we need not now stop to inquire. Whether some policy followed in the years gone by has brought this debacle upon the American people or whether it might have been avoided by another course not pursued it would be futile now to discuss. We have the condition. We have such a condition that money and men are not being brought together in sufficient proximity with resources to bring about the production of commodities for sale in the market place, resulting in purchasing power on the part of the American people that would enable them to absorb unemployment.

We have tried the Works Progress Administration which, I think, has on the whole, done a splendid piece of work, involving the employment of about 3,000,000 men at any given time—sometimes a little greater number and sometimes a fewer number. The activities of the Works Progress Administration have had, perhaps, some grievous faults, probably incident and inherent in a widespread unemployment program brought together in haste as a result of economic conditions which have to be met and dealt with at least, in the first instance, without great deliberation, but in spite of its faults and its shortcomings, this program has brought to almost every township, every school district, every county, every city, and every State in the Nation permanent values in the way of permanent improvements they never would have obtained and could never have hoped for if they had relied upon their own immediate resources and ability. Yet with all the work, all the construction that has been accomplished by the Works Progress Administration, millions of men have still remained unemployed.

We have also had the Public Works Administration, based upon a slightly different foundation and underlying it a slightly different theory. In view of the fact that during the progress of the P. W. A., as we call it, approximately $4,000,000,000 worth of non-Federal projects have been undertaken and completed in the United States, with all the opportunities for misconduct and the misuse of funds that the expenditure of such enormous sums of money might involve, I believe I can say—and I think the Senate and the country will concur in the statement—that no similar amount of money was ever expended under the jurisdiction of any individual, either in war or in peace, that has involved so little criticism, so little misappropriation or waste of funds, or so little lack of business acumen and foresight. Yet in spite of the vast sums expended by the Public Works Administration, added to the amount spent by the Works Progress Administration, we have not been able to absorb the unemployment which has faced our country for nearly a decade.

We have also had the Civilian Conservation Corps, which has drawn from every community throughout the Nation young men between 18 and 25 years who not only have done a fine job physically in the improvement of all sorts of facilities on which they have labored but who at the same time had brought to them a new conception of the relationship between the Government of the United States and the people and a new relationship between them and society of which they are a part and whose responsibilities must in the very near future be assumed by them.

These men, numbering in the aggregate two or three million, averaging from 300,000 to 500,000 at any one time, returning to their homes a very large proportion of the modest pay which they have received, have been thus kept probably in large numbers from the relief rolls in the States, counties, and cities, and because of the character of their work, because of the improvement—moral, educational, and physical—which has been brought to them through this work, we can all testify to the fact that there is almost a universal sentiment in the Nation for the permanent adoption of the Civilian Conservation Corps as a part of the activities of our Government. So well have they done their work, so fine an impression have they made in every community where one of their camps has been located, that in my State there has never been a movement or a suggestion to remove one of them from a neighborhood in which they are located that has not brought a protest from the community against such removal. But, in spite of these things, we still have unemployment.

So, Mr. President, we are today confronted with a situation which challenges the earnest consideration and the single-minded devotion of every man, woman, and child in America, and certainly every man and woman in a responsible position, without regard to politics, geography, color, or religious distinction.

Mr. LEE. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I yield.

Mr. LEE. The Senator stated that scarcely any project had been removed, or its removal talked of, without a protest from the community. It reminded me of a letter I received from one of my constituents, who said:

DEAR SENATOR: Stop this blankety-blank spending.

Last paragraph:

Don't cut off any of our projects.

[Laughter.]

Mr. BARKLEY. That emphasizes the old statement that "the tariff is a local issue"; and very frequently expenditures are.

As I was saying, without regard to undertaking to fix responsibility—and I do not attempt it; men have been writing for a decade about the responsibility for the condition which faces this country—without regard to the responsibility, political or governmental or legislative or executive, we are faced with a problem which we have not yet solved, the question of unemployment in the United States; and I do not know how near we are to a final solution of the problem.

We started out at the beginning of this administration in an effort to solve it through the recommendations of business in the enactment of the National Recovery Act, spon-

sored by the able Senator from New York [Mr. WAGNER], which was declared unconstitutional by the Supreme Court. Whatever may have been the defects of that law, whatever may have been the lack of wisdom in Congress in framing the law, and whatever may have been the misfortune of the type of case upon which the test was made, it was an effort initiated by industry, by business in cooperation with the Government and those who labor, to solve, at least for the time being, the economic problem which faced the United States in 1933.

We have tried to solve the question of unemployment by the wage and hour law. I have always believed and I now believe that if we have reached the time or if we shall ever reach the time in this Nation when we must decide whether all our people shall be able to work three-fourths of the time or whether three-fourths of them shall work all the time and one-fourth of them never work at all, we must decide in favor of the former of the two courses. If there is not sufficient work in the United States in the production of the necessaries of life and in their distribution so that all of our people who are capable of labor may share that labor in order to support themselves and their families, and look their fellow men in the face with pride and assurance under a great nation, then it seems to me we must devise some other alternative by which we may provide for the fair distribution of labor among those able and willing to work.

In order that we might make a beginning, that we might start the process of distribution of available labor among available laborers, we enacted the wage and hour law, by which we have undertaken to cut down unreasonable hours, in order that more men might be able to be employed, and in order that we might lift unreasonably low wages, so that purchasing power among those who do work might be enlarged, and thereby they might be enabled to buy more of the things that other men and women produce, and with the endless chain of increase in the purchase of commodities, increase in their production, and automatic increase again from time to time in purchasing power, we might ultimately reach a time when all our people might be able to work in the production of things necessary for the enjoyment of life in the United States.

As another means of solving the question of unemployment we enacted the Social Security Act, designed to give a measure of security against unemployment in abnormal times and in abnormal amounts. We have provided a beginning, which I think is only a beginning, in old-age assistance, in order that there may be a time in the history of every man's life in America when he will feel that after he has devoted the best of his years to activity, whether in war or in peace, whether in business or in the schoolroom or behind the counter or in a bank or on the farm or in the church, and has been unable to accumulate a sufficient amount of this world's goods to enable him to look forward to retirement with any degree of assurance or consolation, a generous and just society will make it unnecessary for such a man or such a women to look forward with fear and trepidity toward the coming of old age; and in order that those persons might retire from the field of actual labor and give way to younger and abler and stronger men, and thus spread employment among those more qualified to perform labor in any field, we endeavored to make at least a contribution toward the solution of the question of unemployment in the United States.

Mr. President, all these methods, and others, too, which I need not recount, but with which every Senator is familiar, have been undertaken in a tardy fashion by the United States of America; for in nearly every other progressive nation in the entire world such activities have been undertaken and carried much further over a period of a quarter of a century than is the case in the United States.

So, Mr. President, we now find ourselves with millions of our people unemployed. We find ourselves with undeveloped resources. We find a lack of purchasing power on the part of the average man and woman and the average family in America, which makes it impossible for the American people to enjoy the degree of prosperity, the degree of security, the degree of faith in the future which, in my judgment, are essential to the perpetuity of our institutions.

We talk about an annual national income of forty, fifty, sixty, seventy, or eighty billion dollars. In his message to Congress at the beginning of this session the President set as a goal an annual income of the American people of $80,000,000,000. There is nothing fantastic about that figure. I should not be satisfied to look forward to a time 10 years from now and feel that $80,000,000,000 was the limit of the annual income of the American people. I think the time will come when we shall reach not only eighty but ninety or one hundred billion dollars, and it may be that before the youngest Member of the United States Senate ceases to be an active member of society we may even reach $150,000,000,000 as the annual income of the American people. But we cannot continually look with indifference upon unemployment, and the unsatisfied condition of a large proportion of the American people in the enjoyment of the natural resources of our country, the enjoyment of an opportunity to live and to educate their children, and to enjoy not only the necessaries but some of the luxuries of life.

There is a large amount of unused capital in the United States; and the reason why it is unused is a matter upon which we need not spend a great deal of time. We hear much discussion about faith and confidence. Of course, our whole business and economic structure is based upon faith and confidence. If one does not have faith in a bank, he does not put any money in it. So long as he has faith in it, he will keep his money there; but the very moment he begins to lose faith in a bank, he takes out his money. So long as we know we can get our money, we do not want it; but the very moment we begin to suspect that we may not be able to get it, we want it.

Undoubtedly there has been and there is a hesitation on the part of private capital to venture very far out from shore in the investment of its money in construction, or to some extent in business enterprises; and there are some persons in our country who take the position that it is due to some act or policy of our Government that men are not willing to rush forward as they did in 1929 and invest their money in stocks or in other business ventures.

There are those who contend that we owe too much money now, that the debt of our country is too large, and that, because of this enormous debt on the part of our Federal Government, business is hesitant and timid, and that we are on the road to bankruptcy because of the size of the national debt.

I share the same regret with respect to the necessity for the increase of our public debt that I expressed a short time ago in reference to the embarkation of our Government on the various activities which have characterized it for the last 2 years. But in determining whether we are on our way toward bankruptcy as a people, I think it is legitimate not only to consider the size of the debt of the United States Government but to consider the size of the debts of the American people combined and in the aggregate. When we consider the size of the debts of the American people in the aggregate, I find nothing to give alarm to our country.

In 1921 the total debts of the American people, all sorts of debts—Federal debts, State debts, county debts, city debts, farm debts, home debts, railroad debts, all sorts of debts——

Mr. WALSH. Private and public?

Mr. BARKLEY. Private and public, amounted to $110,000,000,000. By 1926 the figure had risen to $140,000,000,000. In 1921 the debt of the United States Government was approximately $24,000,000,000. It gradually went down, under a refunding plan which was adopted, I may say, in the administration of Woodrow Wilson. The public debt of the United States declined until in 1930 it was $15,922,000,000—practically $16,000,000,000.

However, while the Federal debt had declined from $24,000,000,000, in 1921, to $16,000,000,000, in 1930, the total debts of the American people of all kinds, public and private, had risen from $110,000,000,000 to $161,000,000,000. So that during the period from 1921 to 1930, while the public debt of the

Government of the United States was declining about $8,000,000,000, the total debts of all the people, public and private, had risen about $50,000,000,000.

In 1931 the public debt began to increase again. It rose from $16,000,000,000, in 1930, to over $19,000,000,000, in 1932, and to over $22,000,000,000 in 1933, and at the end of 1938 it was $36,576,000,000.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. BARKLEY. In a moment. While the combined debts of all the American people, public and private, had risen to $161,000,000,000, practically, in round figures, in 1930, by 1938 the total combined indebtedness, of all kinds, of all the people of the United States had dropped to $155,000,000,000. I yield to the Senator from Colorado.

Mr. ADAMS. I do not wish to interrupt the course of the Senator's argument, but there are two matters about which I should like to inquire, if it will not disturb his thought.

Mr. BARKLEY. I yield to the Senator.

Mr. ADAMS. When the Government debt dropped to $16,000,000,000, were there any indirect debts, or debts guaranteed by the Government? Had the R. F. C. been established at that time, and were there any Government-guaranteed debts, or any indirect obligations at that time?

Mr. BARKLEY. The Reconstruction Finance Corporation was established in February or March 1932, I believe, and began to issue bonds at that time in order to obtain money with which to carry out its purposes. To what extent it had issued bonds to guarantee obligations of the Government in 1932 I cannot say. But the other agencies which have since been created, such as the Home Owners' Loan Corporation, the Federal Housing Administration, and other activities which have been established since 1933, did not exist in 1932.

Mr. ADAMS. If I may make one further inquiry in order to get the judgment of the Senator, I have had a feeling that the depression which came upon us in 1929 and 1930 was more chargeable to the vast increase in private and corporate indebtedness than to any other single cause. I wonder what the judgment of the Senator from Kentucky is on that question.

Mr. BARKLEY. There is much to be said in support of that theory, but it is a historic fact that all periods of prosperity, so-called, whether real or spurious—and many of us believe that especially in 1927, 1928, and 1929 the prosperity was not real—when everyone in this country thought that there never again would come a day when anyone would be steeped in poverty, when all the poorhouses were to become fading memories in the minds of men—during all periods of intense prosperity, whether real or spurious, there has been an increase in the debt of the people of the United States, and from 1920 to 1930, the period referred to as the heyday of prosperity in the United States, the average increase in the debt of the people of our country was about $6,000,000,000 a year.

Mr. ADAMS. So, while the use of credit is essential to a prosperous condition, an excess use of it brings on depression.

Mr. BARKLEY. Yes. Credit is like many other things; used properly and in the right proportions it is an indispensable agency of the people, but, like other things, it can be abused; it can be carried too far, and undoubtedly in the latter part of the decade from 1920 to 1930, which was characterized by a speculative fever such as I cannot remember—and I doubt whether the Senator from Colorado, who is much younger than I am, can remember such a period—there was an excess and an abuse of credit, spurred on by a speculative mania not altogether discouraged by men in high places in the United States.

Mr. ADAMS. We could go beyond that; it was encouraged by men in high places, was it not?

Mr. BARKLEY. I think that is true. The point I am trying to make is that all our wealth in this country stands back of all our debts. Whether a debt is public or private, the property of the people of the United States stands behind the debt. Otherwise, it would be unsafe for us to indulge in credit of any kind.

The figures may be somewhat varied by either an increase or a decrease in the general field of indebtedness in the last 6 months, but when we consider that at the end of 1938 the entire debt of all the people of the United States, public and private, which constitutes a mortgage upon all the property of the United States, had declined from $161,000,000,000 to $155,000,000,000, I think we can say with some degree of assurance that we are not headed toward bankruptcy.

Mr. ADAMS. The Senator does not feel that the Federal Government should consume all of the reduction in private and corporate indebtedness, does he? Some of us are a little uneasy lest in Government financing we go beyond what may be considered proper credit, and go to extremes, perhaps, until we reach the point which private credit expansion reached in 1929. There is a point beyond which the Government credit may be expanded too far.

Mr. BARKLEY. I agree that there may be. How near we have come to that point is a matter which is open to legitimate dispute. But I will say to the Senator from Colorado, and to other Senators, and all others interested in any views which I may entertain, that I regret that it has been necessary for the Government of the United States to borrow a single dollar in order to furnish credit to those who are entitled to it in the United States because private credit has not been available to them.

I would infinitely have preferred that the banks and other lending agencies in the United States should have furnished the credit so essential for the American people rather than have the Government of the United States do it, but in the absence of either the ability or the willingness of private lending agencies to furnish the credit, in my judgment, there was no alternative, except the entire collapse of our economic and social order, unless the Government of the United States for the time being should enter the breach and provide the credit which others were either unable or unwilling to provide.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. The Senator's analysis of debts of various kinds is exceedingly interesting. However, I should like to have one further analysis if the Senator is able to give it. The Senator now is speaking entirely of the Government debts. There are two kinds of debts. There are debts in the shape of loans or other investments, if there be investments, which will bring returns eventually, in theory at least, and I think usually in practice, which will pay them off. Such debts are very different from debts which we never can expect to recover. Can the Senator give us accurate information as to how much of the public debt of the United States is of such a nature that we have reason to believe it will be repaid? What provision has been made in the way of recovering on loans made by the Government? What proportion of the Government debt is represented by loans which we can expect to be repaid to the Government so it will not be necessary to use the taxing power of the Federal Government to pay it off? I hope I have made my question plain.

Mr. BARKLEY. Yes; I understand the question. That is a situation which I think is important to keep in mind all the time in considering debt, and it is a situation which is not always accurately kept in mind by those who discuss the public debt of the United States. I am not able at the moment to give the Senator the exact figures. Assuming that our present National Treasury debt amounts to about $40,000,000,000, my recollection is that approximately one-fourth of that is recoverable, but I will get the exact figures. I may be slightly in error as to the approximate amount.

Mr. NORRIS. The Senator realizes, of course, that if we go into debt with a reasonable assurance that the debt will be repaid to us such a debt should not give us as much concern as a debt to pay which we must use the taxing power. There is a great difference between the two. A large debt which under ordinary circumstances will be reduced through repayments of loans to the United States Treasury should not give us great concern, as I see it, whereas if we go into debt rapidly and to a very large amount, and the debt is of such a nature that we know the people of the United States must be taxed to pay it; that debt should excite the concern

of every legislator and everyone who has anything to do with it.

Mr. BARKLEY. At the beginning of 1933, following a year in which there had been no activity whatever among the land banks, scarcely a loan having been made in 1932, and very few in 1931, the farm-loan system set up in 1916 having ceased to function, in order to inject new blood into its veins, and make it flow, we started out by appropriating $125,000,000 from the Treasury to be put into the capital stock of the Federal land banks, and later we put in some more money, all of which is, of course, recoverable. We have loaned about $3,000,000,000 to home owners in the United States, all of which is recoverable in theory. Some of it is not recoverable against individuals, in which case the Home Owners' Loan Corporation, like any other money lender, takes possession of the property, holds it or rents it, and so manages it as to get back what the Government has put into it. Those are merely two instances of loans and investments made by the Government of the United States through its Treasury which are supposed to be recoverable.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BYRD. The Senator from Kentucky certainly does not contend that the bonds of the Home Owners' Loan Corporation, amounting to over $3,000,000,000, are included in the direct debt of the United States Government.

Mr. BARKLEY. I will say to the Senator from Virginia that a part of the money which the Reconstruction Finance Corporation loaned at the beginning was money made available out of the United States Treasury. Of course, expenditures, due to increase in the personnel, whose salaries have been paid, all of the W. P. A. expenditures, ranging all the way from one and three-quarter billion dollars to a little over $3,000,000,000, represent money that has been spent without any hope of recovery. We do not expect to get that money back. But I think it is well within the truth—and I will get the exact figures—that almost one-quarter of the entire direct debt of the United States may ultimately be recovered.

Mr. BYRD. Mr. President, I think the Senator from Kentucky will find himself very much in error in that statement, because nearly all of the recoverable items in loans made by the different lending corporations are not included in the direct public debt.

Mr. BARKLEY. Not all of them. The Senator is partly right, and I am partly right. Not all of them were included. But at the beginning of the program the Treasury of the United States was drawn upon for some of these funds.

Mr. BYRD. Mr. President, the amounts advanced out of the General Treasury were to purchase the capital stock of some of these corporations, and on the capital stock will fall the first loss. I think the Senator will find upon investigation that he is very much in error when he says that one-fourth of the present direct debt amounting to $10,000,000,000—one-fourth of $40,000,000,000—will be recoverable.

Mr. BARKLEY. If I am mistaken——

Mr. BYRD. I think the Senator will find that not over 5 percent of the present direct debt is recoverable. He will find, on the contrary, that there is going to be a large loss from the Goverment lending corporations, and that those losses will have to be transferred to the direct debt or paid by current taxation.

Mr. BARKLEY. I do not think anybody can say now whether the contingent losses that may occur will be large or small.

Mr. BYRD. The reason we cannot say whether they are going to be large or small is because there has been no appraisement made of the assets of these corporations. Some have been operating for 5 years without an appraisement being made. The Senate adopted a resolution recently providing for the first appraisement to be made of the assets of these corporations.

Mr. BARKLEY. Many of these corporations have kept their affairs current, and not only have they not lost money, but have paid back to the Government more than they have acquired from the Government.

Mr. BYRD. The Commodities Credit Corporation has lost its capital stock twice. Its first capital stock was $100,000,000 paid direct by the Treasury Department. It lost $94,000,000 one year. The next year it lost $119,000,000, or 119 percent of its capital stock. That was repaid by direct Treasury appropriation.

The Senator does not contend that all the loans made by the Home Owners' Loan Corporation are recoverable, does he?

Mr. BARKLEY. There are large losses due to default on the part of home owners who have been unable to keep up their payments, but in every case the Home Owners' Loan Corporation has possession of the property. Whether there will be an ultimate loss or not is dependent on whether the property may be sold for the amount of the loan.

Mr. BYRD. Even the most casual investigation will disclose that there are heavy losses resulting from those loans, because there are large numbers of properties which are now in default and have to be repossessed by the Government.

Mr. BARKLEY. On the contrary, the Reconstruction Finance Corporation, while it has had individual losses, on the whole has made sufficient profit that it now has a surplus of nearly two hundred and fifty million or two hundred and seventy million dollars. From that surplus there would be a reduction of probably $150,000,000, but even so, the Reconstruction Finance Corporation has over $100,000,000 of net profit.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCARRAN. Is it not true that the so-called profits that now exist in the Reconstruction Finance Corporation are due to the fact that the Reconstruction Finance Corporation took advantage of the gold-clause legislation which we enacted here and derived the benefits of that devaluation?

Mr. BARKLEY. No; not to that extent. There may have been a small profit, but a part of the profit made by the Reconstruction Finance Corporation has been made by reason of the fact that it was able to borrow money at lower rates than those charged by it in making loans. A part of the profit has been made in that way. I am not able to answer the Senator as to whether or not any of the profit which is credited to the Reconstruction Finance Corporation was due to gold operations.

Mr. McCARRAN. I make the statement—and I hope the Senator will correct me if I am wrong—that the Reconstruction Finance Corporation took advantage of a "preview" of the devaluation of the dollar, and thus credited itself with a profit due to that process as it passed through the Congress of the United States.

Mr. BARKLEY. I have never heard of such a thing; and, so far as I know, it has not been revealed in hearings before any of the committees of Congress.

Mr. McCARRAN. I think if the Senator were to investigate that matter he would find that my statement is true.

Mr. BARKLEY. I shall look into the subject, but I never heard of it.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. Suppose it be true; what is wrong about it?

Mr. McCARRAN. There is nothing wrong about it, except that if someone else did it, it would be very wrong.

Mr. BARKLEY. Not any more so than if anyone else speculated in silver, gold, wheat, cotton, or anything else.

Mr. McCARRAN. If someone else had a "preview" as to silver, or were advised as to what would be tomorrow's price on silver based upon the position of the Government, or what would be the price of gold based upon the position of the Government, I think it would be wrong. Such a thing has been condemned.

Mr. TOWNSEND and Mr. BANKHEAD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I yield to the Senator from Delaware.

Mr. TOWNSEND. Mr. President, I think the able Senator was present when the Senator from Colorado [Mr. ADAMS] asked Mr. Jones a question——

Mr. BARKLEY. Evidently I was not present at that time. I have no recollection of it.

Mr. TOWNSEND. Mr. Jones' statement to the Senator from Colorado was that he would be ashamed to state what the losses would be.

Mr. BARKLEY. Oh, yes; I know. The Senator from Delaware and the newspapers played up that statement. Mr. Jones was talking about loans to small business.

Mr. TOWNSEND. All right. They are loans.

Mr. BARKLEY. Although he said he might be ashamed to undertake to predict the losses which would be incurred in connection with any further loans to small business, about which he was talking, the Senator will agree that, on the whole and throughout its entire operations, the Reconstruction Finance Corporation now has a profit to its credit of about $250,000,000 or $260,000,000.

Mr. TOWNSEND. I think the Reconstruction Finance Corporation is one of the best-managed institutions we have; but Mr. Jones said he would be ashamed to state what the losses would be from loans to small business. That statement was a part of the record.

Mr. BARKLEY. It was a more or less casual remark made in reply to a question.

Mr. TOWNSEND. It was in reply to a question by the Senator from Colorado [Mr. ADAMS].

Mr. BARKLEY. Mr. Jones was first asked whether or not he had had losses in connection with small-business loans, and he said he had. I think the Senator from Colorado asked him how much the losses were.

Mr. TOWNSEND. He asked him if they would run as high as 10 to 20 percent.

Mr. BARKLEY. Mr. Jones said he would be ashamed to say; and the newspaper articles played up the word "ashamed" and emphasized it, but said nothing about all the rest of the testimony which Mr. Jones gave.

Mr. BANKHEAD and Mr. BYRNES addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Alabama.

Mr. BANKHEAD. I think it would be extremely unfortunate to have an erroneous and inaccurate record made on this occasion on the subject of the Reconstruction Finance Corporation trading in gold. I have been a member of the Banking and Currency Committee of the Senate practically all the time since the Reconstruction Finance Corporation was organized. I was a member of the subcommittee as well as of the full committee during the discussion of the gold devaluation bill, and during the course of the hearings on that question the whole history of gold from the time of the passage of the gold bill was gone into at that hearing. I assert, Mr. President, that the Reconstruction Finance Corporation did not at any time engage in any trading, speculation, purchase, or sale of gold following the gold devaluation.

The Senator from Nevada is evidently misinformed. I now call on any Member of the Senate who is under the belief, or who understands that the Reconstruction Finance Corporation at any time engaged in gold speculation, to produce the evidence.

Mr. BARKLEY. I thank the Senator for the positiveness of his statement. I had never heard of such a thing. I think I have been present in the committee whenever Mr. Jones and others connected with the Reconstruction Finance Corporation have testified on any legislation affecting the Reconstruction Finance Corporation; and I never heard of any such transaction until now. Certainly I think that if there had been any such activity on the part of the Reconstruction Finance Corporation in speculating in gold we should have heard something about it.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BYRNES. With reference to the statement of the Senator from Delaware, I recall the statement of Mr. Jones; and I know that thereafter it received considerable publicity in the press. I took the trouble to investigate the subject. In fairness to the Reconstruction Finance Corporation we should know that what Mr. Jones then stated was that he estimated certain losses in connection with so-called business loans. The total estimated losses to date of the Reconstruction Finance Corporation are $125,000,000. When we investigate that subject we find that in some instances in which the Reconstruction Finance Corporation has made loans to businesses it has taken title to the plants. What the losses finally will be no one can tell. However, such loans have been estimated as losses to date. They have been estimated against the Reconstruction Finance Corporation. However, at the same time the Reconstruction Finance Corporation has a surplus of $250,000,000. Therefore, if it should finally lose every dollar it has included in the estimated loss, it would be left with a surplus of $125,000,000.

The Reconstruction Finance Corporation has paid the Treasury 3 percent interest, whereas the average interest paid by the Treasury during the borrowing activities of the Reconstruction Finance Corporation has been only 1½ percent. The Reconstruction Finance Corporation has paid in interest to the Treasury more than $200,000,000. Therefore, when we analyze the statement we find, in fairness to the Reconstruction Finance Corporation, that it has a surplus of $250,000,000, which is $125,000,000 more than all the losses which Mr. Jones stated before our committee were included in his estimate.

Mr. BARKLEY. And the $125,000,000 which has been chalked up to possible losses included losses to which Mr. Jones referred—as I thought casually in the committee—as some of those with respect to which he would be ashamed of the amount.

Mr. BYRNES. Yes. For example, the loss in Chicago in the Dawes bank, about which we heard so much talk, had been carried as an estimated loss in a large amount, whereas today it is recognized that the total loss anyone could estimate in that loan is $5,000,000 instead of the $85,000,000 which was estimated at one time.

Mr. BARKLEY. In that connection I wish to say that in considering any institution, whether it be the Reconstruction Finance Corporation, a building and loan association, or a bank, we do not judge the efficiency of its operations by some individual loss it may sustain, or by the aggregate of its losses. All lending institutions have losses. They lend money to people from whom they cannot collect entirely. When we consider the success or failure of any lending institution we take its operations in the aggregate, and not individually. We cannot judge them otherwise. All such losses, whether by the Home Owners' Loan Corporation or the Federal Housing Administration—which do not make loans, but guarantees—or the Reconstruction Finance Corporation, or any of them, in connection with which the Government has made direct loans, are losses necessarily incident to such activities. When Congress passed the law authorizing the loans we knew in advance that we were assuming some risk of loss, and that we might not be able to collect everything back that the Government had loaned. However, in the emergency which existed at the time it was felt that the Government could afford to take the risk and assume the possibility of losses in years to come.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BYRNES. So far as the Reconstruction Finance Corporation is concerned, if it were liquidated today it could return to the Treasury the $500,000,000 capital stock and have a surplus of $125,000,000.

Mr. BARKLEY. That is correct.

Mr. BYRNES. In addition it would have any amounts which might be recovered out of the $125,000,000 now estimated as loss.

Mr. BARKLEY. That is correct. I was just about to suggest that not only is there a certain surplus of $125,000,000,

but undoubtedly a substantial amount can be recovered out of the estimated loss of $125,000,000.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield. All this is leading me away from the trend of my talk; but I am glad to engage in debate.

Mr. McCARRAN. I wish to address a question, through the able leader, to the able Senator from Alabama. Is it contended that the Reconstruction Finance Corporation did not receive a benefit from the devaluation of the dollar?

Mr. BANKHEAD. I made no statement on that subject. The only statement I made was that the Reconstruction Finance Corporation did not buy or sell gold and thereby profit as a result of the devaluation of the dollar. I made no statement, and intended to make none, about the result upon the assets of the Reconstruction Finance Corporation by virtue of the change in the value of the dollar.

Mr. McCARRAN. If I may use a very homely expression, I am very glad to have the Senator straighten himself out on that question.

Mr. BANKHEAD. I did not straighten myself out. I straightened out the statement of the Senator from Nevada.

Mr. McCARRAN. No; I have been straight all the time. The Senator was misinformed, but he has now been informed.

Mr. BANKHEAD. Mr. President, the Senator left the impression on me, and I think he did on others here, that he asserted that the R. F. C. made a profit by buying gold and reselling it.

Mr. McCARRAN. Oh, no! I suppose the R. F. C. never bought anything. I hope it did not, because it would have violated the law if it did; but it took advantage of the devaluation of the dollar and gained that advantage through the Federal Reserve banks turning over to the R. F. C. a certain proportion of the devaluation profits.

Mr. WAGNER. Oh, no!

Mr. McCARRAN. Oh, yes!

Mr. BARKLEY. I got the same impression that the Senator from Alabama got from the Senator's question a while ago.

Mr. McCARRAN. My question was entirely correct. My question was based on facts, and I would not care whether the Senator from New York or anyone else contradicted it. The facts are the same, that the R. F. C. gained a paper profit by the devaluation of the dollar. I wonder if some Senator will deny that statement.

Mr. BARKLEY. Is the R. F. C. the only institution in this country that did?

Mr. McCARRAN. No; wait a minute. Do not hedge around the corner.

Mr. BARKLEY. I am not hedging around the corner.

Mr. McCARRAN. Answer the question, if ycu please. Did the R. F. C. gain a benefit by way of a paper profit from the devaluation of the dollar?

Mr. BARKLEY. The Senator has brought up that matter. I am not able to tell whether that is the case or not.

Mr. McCARRAN. I am sorry. I thought the able leader was able to tell.

Mr. BARKLEY. No; I do not know just what the Senator from Nevada has in mind. Was it in the automatic increase in the value of some securities they held?

Mr. McCARRAN. No; not any security at all.

Mr. BARKLEY. In what way is the Senator stating that the R. F. C., not by the purchase of anything and the sale of it at a higher price, but simply by the automatic act of the devaluation of the dollar, had a paper profit on any asset that it held?

Mr. McCARRAN. It gained that profit through the Federal Reserve bank turning over to the R. F. C. a division of its profits. Will the able Senator from New York deny that statement?

Mr. WAGNER. I deny it so far as my information goes, if the Senator will yield. I have been present, of course, at all of our meetings, having had to preside, and particularly at all of our investigations of the activities of the R. F. C., and I never heard of the R. F. C. making any profit as a result of a transaction with reference to gold.

What the Senator may have in mind is that part of the profits from devaluation, in addition to that which went into the stabilization fund were assigned to the Federal Reserve banks to permit them to make industrial loans; but out of the one-hundred-and-thirty-odd-million dollars so allocated, I understand the record shows that only about $20,000,000 has actually been loaned to industry. But, so far as I recall, unless the Senator from California [Mr. DOWNEY] has other information, there has never been any evidence before the Committee on Banking and Currency that any part of that fund was ever transferred over to the R. F. C. for their use for the purpose of making loans. So far as I know, their money has come entirely from the issuance of their securities, debentures, and notes.

Mr. McCARRAN. I have not the floor, but the able junior Senator from California has propounded a question, and I should be glad to have the leader answer it.

Mr. BARKLEY. I did not hear the Senator's question.

Mr. DOWNEY. Mr. President, is it not a fact that the total profits from the increased value of gold were about $2,800,000,000?

Mr. WAGNER. That is correct.

Mr. DOWNEY. And of that $2,800,000,000, $2,000,000,000 went into the stabilization fund; and, while I have not the exact figures in my mind, I am very sure that a portion of the $800,000,000 was used as capital for some of the lending agencies of the R. F. C.

Mr. WAGNER. I think the Senator upon investigation will find that he is in error, or I am. I never have heard of that. I know that there is now $500,000,000 of free gold, and of the $2,800,000,000, $139,000,000, I think, was transferred over to the Federal Reserve Banks to be utilized for the purpose of making loans to industry, and very little of it has been used for that purpose.

Mr. McCARRAN. That is, $139,000,000 of the $2,800,000,000?

Mr. WAGNER. Yes; and the Treasury now has some $500,000,000 of free gold.

Mr. McCARRAN. And the balance went to the R. F. C. Am I right?

Mr. WAGNER. No; all of the profits from devaluation not a part of the stabilization fund remained entirely in the control of the Treasury.

Mr. McCARRAN. I do not want my question to be obscured.

Mr. WAGNER. The R. F. C. has none of that fund. I am very positive of that.

Mr. McCARRAN. How much of that fund did the R. F. C. gain the benefit of?

Mr. WAGNER. I do not know of any that it gained any direct benefit of, because it was not transferred to the R. F. C. I suppose the assets of the R. F. C. gained whatever benefit all of us gained who owned any property as a result of the increased prices and values which came as a result of the devaluation of the dollar. We had a long discussion before as to the effect of devaluation upon commodity prices in this country; and the only benefit that I know the R. F. C. would have gained is that its assets increased just as the assets all over the country increased.

Mr. McCARRAN. Let me make this statement now, baldly, and then let the able leader refute it when he gets the facts. I say that the R. F. C. did gain by reason of the devaluation of the dollar.

Mr. WAGNER. How?

Mr. McCARRAN. I say that its gain was due to the fact that it knew the devaluation of the dollar was to take place.

Mr. BARKLEY. How did it take advantage of it?

Mr. McCARRAN. And it took advantage of it by deriving benefits by reason of the devaluation.

Mr. BARKLEY. The Senator states that the R. F. C. bought gold before the devaluation, and then sold it at a profit after the devaluation?

Mr. McCARRAN. Either directly or indirectly.

Mr. BARKLEY. How would it have done it indirectly?

Mr. McCARRAN. I cannot answer.

Mr. BARKLEY. How would it have done it at all under the law?

Mr. McCARRAN. I cannot answer that question, because I do not think it could have done it under the law.

Mr. BARKLEY. Of the profit growing out of the devaluation of the dollar, amounting to $2,800,000,000, $2,000,000,000 went into the stabilization fund, and part went to the Federal Reserve banks. In providing money for the Reconstruction Finance Corporation to make loans, or as a part of its capital stock, which originally was to be called when needed, as I recall now, it may be that some of this profit made by the Treasury was allocated to the Reconstruction Finance Corporation, but the only profit the Reconstruction Finance Corporation could have made out of that was to loan the money to business at a higher rate than it paid the Treasury for the money. There was no automatic profit, and I do not understand how there could have been any automatic profit to the Reconstruction Finance Corporation growing out of the devaluation of the dollar.

Mr. BYRNES. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield to the Senator.

Mr. BYRNES. I only wish to say that while this discussion has been going on I have been looking at the financial statement of the R. F. C. from February 1932 until a few months ago. If the R. F. C. made any money out of buying gold and selling it, it certainly was not entered in their financial statement. I have taken the trouble to ask Mr. Schram over the telephone, and he said that he had never heard of any such transaction. I then told him that I wanted him to inquire, because he had not been with the Reconstruction Finance Corporation from 1932, and he has stated to me that he will do so and will advise me what he ascertains, and I will give the Senator the information when I receive it.

Mr. McCARRAN. If the Senator from Kentucky will yield just one moment more, I should not expect that the R. F. C. would violate the law and admit it; neither should I expect them to violate the law at all; but I do say that out of the devaluation of the dollar, due to the acts of Congress, they gained a paper profit which is reflected in their statements. I wonder if the able Senator from South Carolina will deny that statement.

Mr. BYRNES. No; I only state that I understood the Senator from Nevada to say that the R. F. C., being in possession of——

Mr. McCARRAN. I am not asking the Senator from South Carolina for any statement. Will he deny my statement made on the floor?

Mr. BYRNES. I evidently did not know what the Senator's statement was.

Mr. McCARRAN. I will repeat it.

Mr. BYRNES. The RECORD will show it.

Mr. McCARRAN. Would the Senator like to have me repeat it?

Mr. BYRNES. No; I heard the Senator.

Mr. McCARRAN. I did not think he would.

Mr. BYRNES. The RECORD will show the statement. If I am mistaken about it, I have wasted some time, and I will apologize to the Senator; but I understood the Senator to say that the R. F. C., knowing that gold was to be devalued, had some transactions out of which they made money. That was all I was interested in, because I did not see it in this statement; and if the R. F. C. issued a financial statement not showing a profit which had been made, I desired to know it. I was advised that there was no profit at that time, so far as the present chairman knows.

Mr. McCARRAN. Did the R. F. C. advise the able Senator from South Carolina that they made no profit out of the devaluation of the gold dollar?

Mr. BYRNES. That was what I asked, and the present chairman said he had no information to that effect, had never heard of it before, but that he is going to make an inquiry, since, if that is true, I want to advise the Senator from Nevada.

Mr. McCARRAN. Let me say to the Senator, if the Senator from Kentucky will yield, that if the R. F. C. did not make a profit, then it is entirely different from many other concerns which did make a profit out of the devaluation of the dollar.

Mr. BYRNES. I did not understand that was the contention, that like everyone else they made some money. It may be so.

Mr. TOWNSEND. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TOWNSEND. I wish to say to the able Senator from Kentucky that there was no desire on my part to criticize the R. F. C. I was trying to quote exactly what was said. I read from the record. We were talking about small loans, and I asked:

> Did not the survey that the Commerce Department made and which was placed in the record of the Mead hearings show that you had made loans to all who were in any way eligible?
>
> Mr. JONES. We think we have. We are not infallible. We make plenty of mistakes and plenty of bad loans. We will have a very substantial percentage of loss on our business loans.
>
> Senator GLASS. A practical answer to Senator BARKLEY's question is already in the record in the report of these experts from the Department of Commerce who examined the rejected loan applications.
>
> Mr. JONES. That is a very good answer; yes.
>
> Senator ADAMS. The liberality of the policy is going to show up in the losses you take?
>
> Mr. JONES. Yes. We are going to have plenty of losses.

What he actually said—and I am going to ask the chairman who changed it—was, "I am ashamed to tell you what the losses will be." I ask the chairman of the committee who was authorized to change the record.

Mr. BARKLEY. Mr. President——

Mr. TOBEY. Mr. President, will the Senator yield to me?

Mr. BARKLEY. Just a moment.

Mr. TOWNSEND. I want to know exactly what was said.

Mr. BARKLEY. I was present at the time when Mr. Jones said he was ashamed to undertake to estimate how much the losses would be.

Mr. TOWNSEND. Who authorized——

Mr. BARKLEY. Just a moment. I still say that that was a casual remark made by Mr. Jones, on the spur of the moment, in response to a question. All witnesses before the committee have an opportunity to revise their remarks before they are printed, and no doubt Mr. Jones took advantage of that courtesy, and when the corrected hearings were printed, they showed that he said he was unable to estimate the number of losses, but that there would be plenty.

Mr. TOWNSEND. The Senator is mistaken. The hearings were printed with that statement in them, and they have been changed since.

Mr. BARKLEY. One copy of the hearings was printed, in which Mr. Jones evidently exercised his right to correct what he said, and I will read that to the Senator.

Mr. TOWNSEND. I have read it, "We are going to have plenty of losses," taking out the statement that he was ashamed to say what the losses would be.

Mr. BARKLEY. Originally the Senator emphasized the fact that he said he was ashamed to say how many there would be, but that there would be plenty.

Mr. TOWNSEND. That is exactly what I stated.

Mr. BARKLEY. The Senator was reading from the original testimony, I suppose, which was used by the press in publicizing what Mr. Jones stated. No one denies now, and no one is attempting to deny, that there will be considerable losses in the small-business loans. We are not denying that.

Mr. TOWNSEND. I am sure of it.

Mr. BARKLEY. I imagine that if the Senator, who is an experienced businessman, and a banker, I believe, were to go over the records of any active bank in the United States, he would find that there have been a good many losses on individual loans.

Mr. TOWNSEND. Exactly so; and there have been losses in the Reconstruction Finance Corporation, as Mr. Jones stated.

Mr. BARKLEY. We do not dispute the fact that there are losses.

Mr. TOWNSEND. All I was attempting to do was to state exactly what Mr. Jones said. I was not criticizing.

Mr. BARKLEY. What I contend is that we must judge this organization by its entire record and not by the individual losses which have occurred here and there.

Mr. TAFT. Mr. President——

Mr. BARKLEY. I was led astray by all these questions——

Mr. TAFT. I will bring the Senator back.

Mr. BARKLEY. I really wanted to complete the basis of my remarks in order to get down to the bill. But I yield to the Senator from Ohio.

Mr. TAFT. The Senator advanced the argument, as I understood it, that we need not fear the Government debt, because the total debt is not any larger, and he says that the debt now is only a little larger than in 1926. The private debt has apparently decreased by about $5,000,000,000, while the Government debt has more than doubled, from nineteen billion to forty billion. I do not understand the relevancy of the statement as to the private debt. It seems to me that what we are concerned about is raising taxes to pay the interest on the Government debt. Private debt largely pays for itself out of the earnings of the business which is covered by the debt. I do not understand the relevancy of these total debt figures in answer to criticism of the size of the Government debt.

Mr. BARKLEY. The Senator is an able Senator and an able lawyer, and he is a student of finance and public matters. What I stated was that the total assets of all the people of the United States stood behind the total debt, whether it is a private debt or a public debt. Of course, there is one difference between private and public debt, that the one who owes the private debt cannot levy taxes in order to reimburse himself for the money loaned, while the Government can do so.

Mr. TAFT. There is also the difference that the Government cannot earn any money on any of its debt, and the private borrowers can earn money.

Mr. BARKLEY. That is true, but while the Senator is talking about interest, I will say to him that the interest charges for carrying the public debt of the United States, which is double what it was in 1929 and 1930, are less than they were in 1932.

Mr. TAFT. But it is also true that if there were the slightest return to prosperity those interest charges would mount very rapidly. We cannot hope to have interest at 1 percent for any extended time.

Mr. BARKLEY. They might mount on future borrowings, but they would not mount on the existing obligations, unless they were refunded at their maturity.

Mr. TAFT. Is it not true that about two-thirds of this debt is short-term debt, payable practically within 5 years?

Mr. BARKLEY. No; there was a limitation of $30,000,000,000, which was increased recently to $40,000,000,000, I believe.

Mr. TAFT. Because we have reached the $30,000,000,000 limit on short-term debt, which supports the statement I made.

Mr. BARKLEY. The long-term obligations, when they are completed, will absorb probably 80 or 90 percent of the total debt.

Mr. TAFT. The difficulty with the Government debt is that it is necessary to go out and raise taxes to pay it, and we have reached the point where no one, not even the able Senator from Kentucky, can devise a system, which will anything like raise the taxes to pay the present expenses of the Government, including anything on the principal of the debt or on the interest.

Mr. BARKLEY. We have made no effort in the last few years to change the tax structure in order to raise the taxes to pay the debt, or even to pay the interest on it, because it has not been thought necessary to revise the tax structure in order to do that.

Mr. TAFT. How long does the Senator think we can increase our regular debt at the rate of $4,000,000,000 each year, and our indirect debt at a rate of one or two billion more, and not reach the danger zone?

Mr. BARKLEY. I think there is a limit beyond which it would be unwise to go.

Mr. TAFT. Will the Senator state what that limit is?

Mr. BARKLEY. I do not think the limit has as yet been reached. The limit will depend considerably on the annual income of the American people, and their ability to pay taxes and to retire by amortization the debt which is created by the Government of the United States.

Mr. TAFT. It will depend also on the courage of the Congress to levy the taxes which the people may be asked to pay.

Mr. BARKLEY. Of course, the courage of Congress is always an element in any legislation which in any way inflicts on the people what they might regard as a burden, even a light one, and we have to assume that Congress is not irresponsible, that whatever the exigencies of the situation may require, Congress will do the thing necessary. I am not willing to say that Congress will not have the courage, when the time comes, to levy sufficient taxes to retire the debt and to pay the interest on the debt.

Mr. BYRNES. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. BYRNES. Reverting to the question asked by the Senator from Nevada—and I regret that I do not now see him on the floor—the Chairman of the R. F. C. advises me that upon inquiry he learns that before his connection with the R. F. C. the R. F. C. did have a transaction with reference to gold, issuing non-interest-bearing notes, taking gold for the notes, and that the gold was turned over to the Treasury at the net cost to the R. F. C. and without any profit at all to the R. F. C.

Mr. BARKLEY. I thank the Senator from South Carolina for that information.

Mr. MEAD. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. MEAD. Merely from memory and without recourse to the records, it occurs to me that the profit from the devaluation was divided up as follows: Two billion of it is in the stabilization fund; $500,000,000 is free gold; a certain sum of it was used to retire Panama Canal bonds; another amount was used to call in national-bank notes, and that left $139,000,000, which was turned over to the Federal Reserve Board for industrial loans. Therefore, in the record as I see it, no allocation of profit from that device was turned over to the R. F. C.

Mr. BARKLEY. I thank both Senators. I had never heard of any profit made by the R. F. C. out of the devaluation of the gold dollar, and for that reason I did not believe there had been any such profit.

Mr. President, I started out to draw a general picture of conditions which I though were necessary for Congress to deal with and upon which the pending legislation is based. I had hoped that before we adjourned or recessed for the day I might undertake to show how the bill in some measure attempts to deal with and respond to that situation. But it is evident that I cannot do so at this hour, and I shall move that the Senate recess until tomorrow, and I hope that tomorrow I may very briefly outline the provisions of the bill.

ELLEN HALE WILSON

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 152, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 152) submitted by Mr. BAILEY on June 26, 1939, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Ellen Hale Wilson, widow of Peter M. Wilson, late a clerk in the

office of the Secretary of the Senate, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

RAILROAD DEBT ADJUSTMENT AND MODIFICATION—CONFERENCE REPORT

Mr. WHEELER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5407) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21 and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 12, 13, 14, 15, 16, 17, 18, 19, 23, 28, 30, 32, 33, 34, 35, 36, and 37, and agree to the same.

Amendments numbered 6, 7, 8, 9, 10, and 11: That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 8, 9, 10, and 11 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendments, strike out all matter in lines 23 to 25, inclusive, on page 3 of the House bill, strike out all matter in lines 1 to 13, inclusive, on page 4 of the House bill, and insert in lieu thereof the following:

"(1) Prepared a plan of adjustment and secured assurances satisfactory to the Commission of the acceptance of such plan from creditors holding at least 25 per centum of the aggregate amount of all claims affected by said plan of adjustment (including all such affected claims against said corporation, its parents and subsidiaries), and

"(2) Thereafter obtained an order of the Commission (but not of a division thereof), under section 20a of the Interstate Commerce Act authorizing the issuance or modification of securities as proposed by such plan of adjustment (other than securities held by, or to be issued to Reconstruction Finance Corporation), such order of the Commission to include also specific findings:

"(a) That such corporation is not in need of financial reorganization of the character provided for under section 77 of this act;

"(b) That such corporation's inability to meet its debts matured or about to mature is reasonably expected to be temporary only; and

"(c) That such plan of adjustment, after due consideration of the probable prospective earnings of the property in the light of its earnings experience and of such changes as may reasonably be expected—

"(i) is in the public interest and in the best interests of each class of creditors and stockholders;

"(ii) is feasible, financially advisable, and not likely to be followed by the insolvency of said corporation, or by need of financial reorganization or adjustment;

"(iii) does not provide for fixed charges (of whatsoever nature including fixed charges on debt, amortization of discount on debt, and rent for leased roads) in an amount in excess of what will be adequately covered by the probable earnings available for the payment thereof;

"(iv) leaves adequate means for such future financing as may be requisite;

"(v) is consistent with adequate maintenance of the property; and

"(vi) is consistent with the proper performance by such railroad corporation of service to the public as a common carrier, will not impair its ability to perform such service:

Provided, That in making the foregoing specific findings the Commission shall scrutinize the facts independently of the extent of acceptances of such plan and of any lack of opposition thereto: *Provided further*, That an order of the Commission (or of a division thereof) under section 20a of the Interstate Commerce Act, made prior to April 1, 1939, authorizing the issuance or modification of securities as proposed by a plan of adjustment (other than securities held by, or to be issued to, Reconstruction Finance Corporation), shall be effective for the purpose of this subparagraph (2) of the first sentence of section 710, notwithstanding failure to include therein the foregoing specific findings, if such order did include the specific findings that such proposed issuance or modification of securities is compatible with the public interest, is consistent with the proper performance by the railroad corporation of service to the public as a common carrier, and will not impair its ability to perform such service, and".

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"If the court shall propose to modify the plan, then: (a) if such modification substantially alters the basis for the specific findings included in the order made by the Commission under section 20a of the Interstate Commerce Act, the plan as so proposed to be modified shall be resubmitted to the Commission and shall not be finally approved by the court until the Commission (but not a division thereof) has authorized the issuance or modification of securities as proposed by the plan as so modified (other than securities held by, or to be issued to, Reconstruction Finance Corporation) making the findings required by clause (c) of subparagraph (2) of the first sentence of section 710, even in a case where the original order of the Commission under said section 20a was made prior to April 1, 1939; and (b) if such modification substantially or adversely affects the interests of any class or classes of creditors, such plan shall be resubmitted, in such manner as the court may direct, to those creditors so affected by such modification and shall not be finally approved until after (1) a hearing on such modification, to be held within such reasonable time as the court may fix, at which hearing any person in interest may object to such modification, and (2) a reasonable opportunity (within a period to be fixed by the court), following such hearing, within which such affected creditors who have assented to the plan may withdraw or cancel their assents to the plan, and failure by any such creditor to withdraw or cancel an assent within such period shall constitute an acceptance by such assenting creditor of the plan as so modified. After such authorization and finding by the Commission, where required hereby, and after such hearing and opportunity to withdraw or cancel, where required hereby, the court may make the proposed modification, and as provided in section 725 finally approve and confirm the plan as so modified."

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by such amendment insert the following: "which does not provide for the payment thereof shall be approved by the court except upon the acceptance of a lesser amount or of a postponement by the Secretary of the Treasury certified to the courts: *Provided*, That if the Secretary of the Treasury shall fail to accept or reject such lesser amount or such postponement for more than sixty days after receipt of written notice so to do from the court, accompanied by a certified copy of the plan, the consent of the United States insofar as its claims for taxes or customs duties are concerned shall be conclusively presumed"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by such amendment and insert in line 1 on page 9 of the House bill after the word "or" and before the word "as" the following: ", if modified, then"; and the Senate agree to the same.

Amendments numbered 25, 26, and 27: That the House recede from its disagreement to the amendments of the Senate numbered 25, 26, and 27 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by such amendments, strike out all matter in lines 6 through 12 inclusive on page 9 of the House bill, and insert in lieu thereof the following:

"(3) That the plan meets the requirements of clause (c), and the petitioner meets the requirements of clauses (a) and (b) of subparagraph (2) of the first sentence of section 710, and that the plan is fair and equitable as an adjustment, affords due recognition to the rights of each class of creditors and stockholders and fair consideration to each class thereof adversely affected, and will conform to the law of the land regarding the participation of the various classes of creditors and stockholders: *Provided*, That in making the findings required by this clause (3), the court shall scrutinize the facts independently of the extent of acceptances of such plan, and of any lack of opposition thereto, and of the fact that the Commission, under section 20a of the Interstate Commerce Act, has authorized the issuance or modification of securities as proposed by such plan, and of the fact that the Commission has made such or similar findings;"

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"(6) That, after hearings for the purpose, all amounts or considerations, directly or indirectly paid or to be paid by or for the petitioner for expenses, fees, reimbursement or compensation of any character whatsoever incurred in connection with the proceeding and plan, or preliminary thereto or in aid thereof, together with all the facts and circumstances relating to the incurring thereof, have been fully disclosed to the Court so far as such amounts or considerations can be ascertained at the time of such hearings, that all such amounts or consideration are fair and reasonable, and to the extent that any such amounts or considerations are not then ascertainable, the same are to be so disclosed to the Court when ascertained, and are to be subject to approval by the special court as fair and reasonable, and except with such approval no amounts or considerations covered by this clause (6) shall be paid."

And the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"No plan shall be approved under this chapter unless the special court finds that with respect to the continuation of, or any change in, the voting rights in the petitioner, control of the petitioner,

and the identity of, and the power and manner of selection of the persons who are to be directors, officers, or voting trustees, if any, upon the consummation of the plan and their respective successors, the plan makes full disclosure, is adequate, equitable, in the best interests of creditors and stockholders of each class, and consistent with public policy."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by said amendment insert the following:

"ARTICLE VII—INTERSTATE COMMERCE COMMISSION

"SEC. 740. If, in any application filed with the Commission pursuant to section 20a of the Interstate Commerce Act for authority to issue or modify securities, the applicant shall allege that the purpose in making such application is to enable it to file a petition under the provisions of this chapter, the Commission shall take final action on such application as promptly as possible, and in any event within one hundred and twenty days after the filing of such application, unless the Commission finds that a longer time, not exceeding sixty days is needed in the public interest."

And the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40 and agree to the same, with an amendment as follows: In line 11 on page 14 of the House bill, after the word "made", insert the following: "by any person affected by the plan who deems himself aggrieved"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by said amendment, strike out in line 22 on page 14 of the House bill the words "Saving Clause", and insert in lieu thereof the following: "IX—Filing record with Commission"; and the Senate agree to the same.

Amendments numbered 42 and 43: That the House recede from its disagreement to the amendments of the Senate numbered 42 and 43 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by such amendments, strike out all matter in lines 23 through 25 inclusive on page 14 of the House bill, strike out all matter in lines 1 and 2 on page 15 of the House bill, and insert in lieu thereof the following:

"SEC. 750. The clerk of the court in which any proceedings under this chapter are pending, shall forthwith transmit to the Interstate Commerce Commission copies of all pleadings, petitions, motions, applications, orders, judgments, decrees and other papers in such proceedings filed with the court or entered therein, including copies of any transcripts of testimony, hearings or other proceedings that may be transcribed and filed in such proceedings together with copies of all exhibits, except to the extent that the court finds that compliance with this section would be impracticable."

And the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by such amendment insert the following:

"ARTICLE X—TERMINATION OF JURISDICTION

"SEC. 755. The jurisdiction conferred upon any court by this chapter shall not be exercised by such court after July 31, 1940, except in respect of any proceeding initiated by filing a petition under section 710 hereof on or before July 31, 1940."

And the Senate agree to the same.

B. K. WHEELER,
WARREN R. AUSTIN,
H. T. BONE,
CHAS. W. TOBEY,
HARRY S. TRUMAN,
Managers on the part of the Senate.

WALTER CHANDLER,
EARL C. MICHENER,
CHARLES F. MCLAUGHLIN,
Managers on the part of the House.

Mr. WHEELER. The conferees have met and concluded their work in regard to this bill. I move that the Senate proceed to the consideration of the conference report.

The motion was agreed to.

The report was considered and agreed to.

PROMOTION OF NAUTICAL EDUCATION

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 5375) to promote nautical education, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SHEPPARD, Mr. CLARK of Missouri, Mr. BAILEY, Mr. WHITE, and Mr. BARBOUR conferees on the part of the Senate.

AMENDMENT OF MERCHANT MARINE AND SHIPPING ACTS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 6746) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SHEPPARD, Mr. CLARK of Missouri, Mr. BAILEY, Mr. WHITE, and Mr. BARBOUR conferees on the part of the Senate.

EXPRESSION OF APPRECIATION BY CONGRESS TO AMERICAN ASSOCIATION OF STATE HIGHWAY OFFICIALS

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 10, which was read as follows:

Whereas this year marks the twenty-fifth anniversary of the organization of the American Association of State Highway Officials, which is composed of officials of the highway departments of all the States, Hawaii, Puerto Rico, the District of Columbia, and the United States Bureau of Public Roads; and

Whereas said association through its members represents the State and Federal governmental agencies which have constructed and maintained a vast system of highways throughout the Nation, which highways are becoming increasingly important in local and interstate transportation; and

Whereas said association has announced that it is planning to celebrate in a fitting manner this quarter century of road building at a national meeting to be held during the month of October 1939 in the cities of Washington, D. C., and Richmond, Va.: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the splendid results which have been accomplished in the vital development of our national highway transportation system merit an expression of public appreciation by the Congress.

SEC. 2. A special committee of the Congress is hereby established, to consist of three Members of the Senate, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to convey to the members of the American Association of State Highway Officials at the national meeting of said association to be held in the cities of Washington, D. C., and Richmond, Va., during the month of October 1939 an expression of appreciation by the Congress of the praiseworthy accomplishments realized under their leadership and direction in the field of highway development.

Mr. MINTON. I move that the Senate concur in the concurrent resolution of the House.

The motion was agreed to.

THE SO-CALLED CIVIL LIBERTIES COMMITTEE

Mr. SCHWELLENBACH. Mr. President, last week in discussing the resolution with respect to the so-called Civil Liberties Committee, which resolution is in the hands of the Committee to Audit and Control the Contingent Expenses of the Senate, the Senator from South Carolina indicated that the increased appropriation made to the Department of Justice might be used to provide in part for the needs of the committee. Attorney General Murphy in a press conference gave out a statement of his attitude toward that particular question, clearly indicating that he felt the necessity for the continuation of the work of the Civil Liberties Committee, and that he did not feel that the Department of Justice alone was in a position to handle the matter.

I ask unanimous consent to have printed as a part of my remarks a newspaper dispatch from the St. Louis Post-Dispatch outlining the position of the Attorney General in reference to the matter, and also an editorial in reference thereto, published in the same newspaper, under date of July 21, 1939.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the St. Louis Post-Dispatch]

MURPHY FAVORS NEW FUND FOR LA FOLLETTE—NOTES "EDUCATIONAL VALUE" OF EXPOSURES OF CIVIL LIBERTIES COMMITTEE

WASHINGTON, July 20.—Pointing out "the great educational value" of the exposures of the Senate Civil Liberties Committee during the past 3 years, Attorney General Murphy told reporters today that he would like to see the committee given additional funds so it could cooperate with the Department of Justice.

Murphy's statement was significant because Chairman BYRNES, of the Senate Audit and Control Committee, Monday opposed an additional grant to the La Follette committee, asserting that the Department of Justice had been given a $50,000 appropriation for the current fiscal year to investigate and prosecute infringements of the constitutional guarantees of civil liberty.

Pending before the Senate is the bill of Senators SCHWELLENBACH, of Washington, and DOWNEY, of California, both Democrats, to appropriate $100,000 for the continuation of the La Follette committee.

"COOPERATION GREAT HELP"

Murphy said that he would not be able to do as much with the $50,000 appropriation as he would like to do and that it would be a very great help to him to have the cooperation of the La Follette committee. He added that he had talked with several Senators about the work of the La Follette committee and that he would be glad to give the Audit and Control Committee his views if the proper procedure for this could be found.

"There is no conflict," he said, "between the work of the La Follette committee and the Department of Justice, and as I see it, the committee can be helpful to us and other public officials. I know that as Governor of Michigan I found the La Follette reports very significant, especially the disclosure that businessmen had spent more than $2,000,000 for private detectives and labor spies.

"During the automobile strike I took a copy of its record with me to a conference of the leaders of that industry and asked them if the disclosures were true. They said that the practice of hiring private detectives and labor spies was bad and that it had been abandoned. That was one of the results of the La Follette committee's investigation."

DIFFERENCE IN PROCEDURE

Murphy agreed that the Department and the committee proceeded along different lines. The Department, he explained, made its investigations to determine whether an existing Federal law had been violated, whereas the committee sought to determine whether additional laws were necessary in the public interest.

During the Senate debate yesterday SCHWELLENBACH and DOWNEY asserted that if the committee were given additional funds it could make a comprehensive investigation of the charges against the Associated Farmers of California for alleged violation of workers' civil rights. Murphy said today that his Department had made only a preliminary survey of the California situation, and that whether an investigation would be made would depend on whether the La Follette committee is given funds to carry out its proposed investigation in that State.

In reply to SCHWELLENBACH and DOWNEY, BYRNES asserted that when the La Follette committee was given $60,000 last year Chairman LA FOLLETTE told the Audit and Control Committee that it would be sufficient to complete the investigation. LA FOLLETTE answered that he had religiously lived up to his agreement by not asking for more funds, but added that a study of material already assembled by his committee would convince any person that the investigation should be continued.

[From the St. Louis Post-Dispatch]

MURPHY ENDORSES THE LA FOLLETTE COMMITTEE

The idea has grown in Congress and over the country that the La Follette committee may as well be discontinued, now that a special civil liberties union has been set up in the Department of Justice by Attorney General Murphy. With both at work, there would be duplication, it is asserted, and the Justice Department should be given full charge of the field.

These arguments are demolished by Attorney General Murphy, who went on record yesterday as favoring continuance of the committee. He praised its "great educational value," asserted there was no conflict between the two groups and declared the committee's cooperation would be very valuable to his department and other agencies.

The public hearings held by the committee have been highly useful in exposing bad conditions and correcting them. The Department of Justice, on the other hand, makes its reports to grand juries in secret session, and so is restricted from turning the spotlight on dark places, as the committee has done so frequently. The La Follette group is far from completing its work; indeed, it has not yet touched certain important subjects, such as the repressive labor practices said to exist among California farm workers. It should be assured of getting the necessary funds from Congress for continuing its labors, now that Mr. Murphy has given his significant endorsement.

WORKS PROGRESS ADMINISTRATION—RATES OF PAY, AND SO FORTH

Mr. McCARRAN. Mr. President, yesterday I offered an amendment to the spending and lending bill which is now before the Senate. I made reference to certain Executuve orders made pursuant to an investigation, and stated that the Works Progress Administration had promulgated regulations relating to hourly rates of pay, hours of work, payment for service and conduct of employment, all of which have to do with the question of the prevailing wage in the respective districts of this country. The amendment will come before the Senate as an adjunct to the bill that is now pending, and I propose to foster and advocate it as best I can, to the end that the workers of America who are now out of employment, and those who are threatened with being made a part of an agency to destroy the wage structure of the United States shall no longer be used for that purpose. In other words, if the labor organizations of the United States have during a half century built up a wage structure in America commensurate with the standard of living in the United States, then that structure should be maintained, and Congress should not be a party to a change that would tear it down.

I ask to have printed in the RECORD as part of my remarks, title 45, Public Welfare, Works Progress Administration—Administrative Order No. 67—made by the President, as published in the Federal Register of Wednesday, April 19, 1939.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

TITLE 45—PUBLIC WELFARE

WORKS PROGRESS ADMINISTRATION

[Administrative Order No. 67]

REGULATIONS RELATING TO HOURLY RATES OF PAY, HOURS OF WORK, PAYMENT FOR SERVICES AND CONDITIONS OF EMPLOYMENT

By virtue of and pursuant to the authority vested in the Works Progress Administration by the Emergency Relief Appropriation Act of 1938 approved June 21, 1938, I hereby prescribe the following rules and regulations:

PART I. DEFINITIONS

SECTION 1. The term "projects" as used herein shall mean projects or portions of projects financed in whole or in part from funds appropriated to the Works Progress Administration by the Emergency Relief Appropriation Act of 1938 or by Public Resolution No. 1, Seventy-sixth Congress, approved February 4, 1939, except projects financed in whole or in part from funds appropriated to the Works Progress Administration for the National Youth Administration.

SEC. 2. The term "project employees" as used herein shall mean all employees engaged upon a project and paid by means of a pay-roll payment from funds authorized for the operation of the project.

(a) The term "project employees paid on an hourly basis" as used herein shall mean persons, including supervisory employees engaged upon a project, who are paid on an hourly basis by means of pay-roll payments from funds authorized for the operation of such project.

(b) The term "project supervisory employees" as used herein shall mean persons in supervisory positions engaged upon a project who are paid on a monthly basis by means of pay-roll payments from funds authorized for the operation of such project.

PART II. RATES OF PAY

SEC. 3. The rates of pay for project employees paid on an hourly basis shall be not less than the prevailing rates of pay for work of a similar nature in the same locality. When, in the judgment of the State administrator, it is necessary to revise hourly rates heretofore established or to determine new hourly rates, such rates of pay shall be subject to the approval of the Federal Works Progress Administrator or his authorized representative prior to their being placed in effect.

SEC. 4. In accordance with the provisions of administrative authorities granted to him, it shall be the responsibility of the States Works Progress administrator to issue State administrator's orders, which prescribe the schedule of appropriate rates of pay, hours to be worked, and monthly earnings by occupational titles for each county in the State in which projects are being operated. Where necessary, supplemental schedules shall be issued as State administrator's orders covering special determinations for particular projects within the county or for subdivisions of the county.

PART III. HOURS OF WORK

SEC. 5. The normal hours of work for project employees paid on an hourly basis shall be that number of hours required to earn the authorized monthly wage at the established rate of pay. The maximum hours of work, however, shall not exceed 8 hours per day, 40 hours per week, and 140 hours per month, except when, in the judgment of the State Works Progress administrator or his authorized representative, the above limitations are not practical in the following cases:

(a) An emergency involving the public welfare or to protect work already done on the project.

(b) When efficient project operations permit rescheduling hours of work for the purpose of making up time lost due to the following circumstances: *Provided*, That in no case shall any project

employee be permitted to accumulate allowable lost time in excess of 50 percent of the employee's normal assigned hours per month.

(1) Temporary interruptions of projects beyond the control of the workers;

(2) Illness;

(3) Injuries sustained in the performance of duty;

(4) Military service;

(5) Exercise of voting privilege.

When making up time lost the maximum hours of work shall be 8 hours per day and 48 hours per week.

SEC. 6. The hours of work for project supervisory employees shall be established by the State administrator or his authorized representative in accordance with the requirements of the project to which the employee is assigned: *Provided*, That the minimum hours of work required shall be not less than 120 hours per pay-roll month. Deductions for voluntary time lost shall be made in accordance with section 10 of this order, without regard to the hours of work established pursuant to this section.

PART IV. MONTHLY EARNINGS AND PAYMENT FOR SERVICES

SEC. 7. The schedule of monthly earnings, as hereinafter established with adjustments heretofore effected as set forth in section 8 of this order, shall be applicable to at least 95 percent of the persons engaged upon a project and paid from project funds, except:

(a) Such projects, portions of projects, or activities as the Federal Works Progress Administrator or his authorized representative may hereafter exempt, including adjustments to the schedule of monthly earnings on the basis of contiguity of counties, redefinition of regions, and adjustments within the range of 10 percent.

(b) Such projects or portions of projects as the State Works Progress administrators may hereafter exempt, provided that the number of persons covered by such exemption, including project supervisory employees, shall not exceed 10 percent of the employees on a project and that at least 95 percent of the persons employed upon all projects within a State shall be persons who are paid in accordance with the schedule of monthly earnings as hereinafter provided.

(c) Such projects or portions of projects as the State Works Progress administrators may hereafter specifically exempt for a period of not to exceed one full pay-roll period, in order to permit the assignment of supervisory personnel for the purpose of planning and scheduling project operations, provided that such exemption authority shall not allow the assignment of project supervisory employees in excess of the normal needs of full-time project operation.

SCHEDULE OF MONTHLY EARNINGS

The schedule of monthly earnings applicable to any county shall be based upon the 1930 population of the largest municipality within the county in accordance with the following schedule:

UNSKILLED WORK

Region [1]	Over 100,000	50,000–100,000	25,000–50,000	5,000–25,000	Under 5,000
Region I	55	52	48	44	40
Region II	45	42	40	35	32
Region III	40	38	36	30	26

INTERMEDIATE WORK

Region I	65	60	55	50	45
Region II	58	54	50	44	38
Region III	57	53	47	40	33

SKILLED WORK

Region I	85	75	70	63	55
Region II	72	66	60	52	44
Region III	72	66	60	52	44

PROFESSIONAL AND TECHNICAL WORK

Region	Over 100,000	50,000–100,000	25,000–50,000	5,000–25,000	Under 5,000
Region I	94	83	77	69	61
Region II	79	73	66	57	48
Region III	79	73	66	57	48

[1] Regions include the following States:

Region I: Arizona, California, Colorado, Connecticut, Idaho, Illinois, Indiana, Iowa, Maine, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, Wyoming.

Region II: Delaware, District of Columbia, Kansas, Kentucky, Maryland, Missouri, Oklahoma, West Virginia.

Region III: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia.

SEC. 8. The several State Works Progress administrators are hereby authorized to continue adjustments to the schedule of monthly earnings heretofore authorized by the Federal Works Progress Administrator or by the several State Works Progress administrators on the basis of contiguity of counties, redefinition of regions, or adjustments within the range of 10 percent, provided such adjustments to the schedule of monthly earnings were in full force and effect prior to the effective date of this order and such adjustments have not been incorporated into the schedule of monthly earnings as herein provided.

SEC. 9. The several State Works Progress administrators are hereby authorized to make adjustments to the schedule of monthly earnings as herein established in order to allow the scheduling of monthly earnings which do not involve the computation of fractional payments of less than 1 cent or the assignment of hours of work which involve partial hours during any semimonthly pay period, provided this authority is limited to the fixing of monthly earnings which do not vary more than $1 above or below the established schedule of monthly earnings. Any adjustments to the schedule of monthly earnings for this purpose which exceed $1 above or below the established schedule shall be subject to prior authorization by the Federal Works Progress Administrator or his designated representative. Such adjustments to the schedule of monthly earnings shall be in addition to any adjustments heretofore authorized under the provisions of section 8 of this order.

SEC. 10. The several State Works Progress administrators are authorized and directed to establish monthly salaries for project supervisory employees in accordance with monthly wages customarily paid for work of a similar nature in the same locality. Deductions for voluntary absence from duty shall be made in the amount of one-thirtieth of the monthly salary for each day of voluntary absence. However, no deduction shall be made for any day or days upon which the employee is not required to work. Deductions for voluntary absence from duty for a portion of a day shall be made in an amount equal to one-fourth the deduction, or multiple thereof, made for absence during a full day.

SEC. 11. Project employees paid on an hourly basis shall be compensated only for time actually worked, except where a project employee is paid for the day upon which a compensable injury occurs. Project employees who are paid in accordance with the schedule of monthly earnings shall be allowed every reasonable opportunity consistent with efficient project operations to make up time lost as provided in section 5. Such time lost may be made up during the current or succeeding pay-roll months; however, every effort shall be made to reschedule project operations so as to allow project employees to make up time lost during the current pay-roll period. Payments in excess of the schedule of monthly earnings are permitted for this purpose.

SEC. 12. Project employees if injured in the performance of duty and unable to work as a result thereof shall be entitled to receive payment of compensation under the provisions of the act of February 15, 1934 (48 Stat. 351) as amended.

SEC. 13. Where project employees are quartered in camps, the several State Works Progress administrators are authorized to fix an appropriate charge for lodging, food, proper sanitation, water and bathing facilities, and medical and dental care, and to make such deductions at the end of each pay-roll period from the earnings of project employees quartered in such camps.

PART V. CONDITIONS OF EMPLOYMENT

SEC. 14. It shall be the responsibility of the State works progress administration to assure the maintenance of standards of eligibility for certification. Need and employability shall be the only requirements in determining eligibility provided persons are otherwise eligible as prescribed by law and by these regulations. For the purpose of certification need shall be said to exist when the resources of the family or of the unattached individual are insufficient to provide a reasonable subsistence compatible with decency and health. At least 95 percent of the employees on a project shall be persons who have been certified as in need by a public relief agency approved by the Works Progress Administration or in lieu thereof by the Works Progress Administration, except:

(a) Persons on such projects or portions of projects as the Federal Works Progress Administrator or his authorized representative may hereafter exempt;

(b) Such projects or portions of projects as the State Works Progress administrator may hereafter exempt, provided that the number of persons covered by such exemptions, including project supervisory employees shall not exceed 10 percent of the employees on a project and that at least 95 percent of the persons employed on all projects within the State shall be persons certified as in need; and

(c) Such projects or portions of projects as the State Works Progress administrators may hereafter specifically exempt for a period of not to exceed one full pay-roll period, in order to permit the assignment of supervisory personnel for the purpose of planning and scheduling project operations, provided that such exemption authority shall not allow the assignment of project supervisory employees in excess of the normal needs of full-time project operation.

SEC. 15. Persons in need whose names have not heretofore been placed upon relief rolls shall be eligible for employment and shall be certified as in need in the same manner as persons whose names have heretofore appeared on relief rolls.

SEC. 16. Persons 65 years of age or over and women with dependent children shall be eligible for employment, if certified as to need and otherwise eligible, provided:

(a) Such persons are not receiving public assistance benefits under the Social Security Act; or

(b) Such persons do not relinquish public assistance benefits under the Social Security Act with the intent to establish eligibility for employment.

SEC. 17. Farmers in rural areas who are in need and who need employment to supplement their farm income shall be eligible for certification and for employment, provided that:

(a) Such farmers are not active standard loan clients of the Farm Security Administration, and

(b) Such farmers are not currently receiving emergency grants from the Farm Security Administration.

SEC. 18. No person under the age of 18 years, and no person whose age or physical condition is such as to make his employment dangerous to his health or safety, or to the health or safety of others may be employed on a project. This section shall not be construed to operate against the employment of physically handicapped persons otherwise employable, where such persons may be safely assigned to work which they can perform.

SEC. 19. Only one member of a family group may be employed on projects as defined herein. This provision shall not be construed to interfere with the part-time employment of a youth member of the family by the National Youth Administration or the enrollment of a member of the family in the Civilian Conservation Corps.

SEC. 20. The fact that a person is entitled to or has received either adjusted-service bonds or a Treasury check in payment of an adjusted-compensation certificate shall not be considered in determining actual need of such employment.

SEC. 21. No alien shall knowingly be given employment or continued in employment on any project even though such alien may have filed a declaration of intention to become an American citizen. Effective March 6, 1939, and thereafter, no person shall be employed on projects until such person has executed an affidavit as to his citizenship status.

SEC. 22. Preference in employment on projects shall be given in the following order:

(a) Veterans of the World War and the Spanish War and veterans of any campaign or expedition in which the United States has engaged who are in need and are American citizens.

(b) Other American citizens, Indians, and other persons owing allegiance to the United States who are in need.

SEC. 23. No person certified as in need shall be eligible for employment on any project financed from funds appropriated to the Works Progress Administration who has refused to accept employment on any other Federal or non-Federal project at an hourly wage rate comparable to or higher than the hourly wage rate established for similar work on projects financed from funds appropriated to the Works Progress Administration. However, any certified person who has been engaged on any Federal or non-Federal project and whose service has been regularly terminated through no fault of his own shall not lose his eligibility for reemployment on any project financed from funds appropriated to the Works Progress Administration or on any other Federal or non-Federal project on account of such previous employment.

SEC. 24. Project employees and unassigned certified persons shall be expected to accept bona fide offers of private employment, whether of a permanent or temporary nature, provided that:

(a) The project employee is capable of performing such work;

(b) The wage for such employment is not less than the prevailing wage for such work in the community;

(c) Such employment is not in conflict with established union relationships;

(d) Such employment provides reasonable working conditions.

A certified person who takes such private employment shall at the expiration thereof be entitled to reemployment on a project if he is still in need and otherwise eligible and if he has lost the private employment through no fault of his own. However, project employees and certified persons awaiting assignment who refuse to accept such private employment shall be ineligible for employment on any project for the period such private employment would be available.

SEC. 25. As a condition to their continued employment on projects project employees paid on an hourly basis who are certified as in need shall be required to file quarterly a statement as to the amount of their earnings from outside employment while they were assigned on such projects. The quarterly statements of outside earnings shall be taken into consideration in continuing such certified persons in employment on projects.

SEC. 26. Persons certified as in need, including project supervisory employees, who are authorized to work on projects at monthly earnings which are in excess of $100 per month shall have their certification of need canceled and shall be considered as noncertified persons, provided that this requirement shall not be construed as prohibiting certified workers from receiving monthly earnings in excess of $100 per month when making up lost time or in an emergency as provided in section 5.

SEC. 27. Persons who are qualified for assignment to projects and who are eligible as specifically provided by law and by these regulations shall not be discriminated against because of membership or nonmembership in a labor organization.

SEC. 28. All persons paid from funds appropriated to the Works Progress Administration shall observe the following rules relating to political activities:

(a) No person, directly or indirectly, shall promise any employment, position, work, compensation, or other benefit provided under the program of the Works Progress Administration to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in any election.

(b) No person shall deprive, attempt to deprive, or threaten to deprive, by any means, any person of any employment, position, work, compensation, or other benefit provided under the program of the Works Progress Administration on account of race, creed, color, or any political activity, support of, or opposition to any candidate or any political party in any election.

(c) No person shall knowingly solicit or knowingly be in any manner concerned in soliciting any assessment, subscription, or contribution for the campaign expenses of any individual or political party from any person entitled to or receiving compensation or employment provided for by the program of the Works Progress Administration.

(d) No person employed in any administrative or supervisory capacity by any agency of the Federal Government whose compensation is paid from funds appropriated to the Works Progress Administration shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. While such persons shall retain the right to vote as they please and to express privately their opinions on any political subjects, they shall take no active part in political management or in political campaigns. Any persons in an administrative or supervisory capacity who violate the provisions of this section shall be subject to immediate discharge and thereafter such persons shall not be eligible for any employment which is compensated from funds appropriated to the Works Progress Administration.

SEC. 29. Every person who works for the Works Progress Administration, whatever his job, has a right to vote in any election, for any candidate he chooses. When the hours during which polling places are open or any other conditions prevent employees from freely exercising their voting privileges, scheduled hours of work may be adjusted to provide the necessary time for this purpose. Project employees shall not be paid for time allowed during which to vote, but they shall be permitted through a rescheduling of working hours to work their full quota of hours during the pay-roll month for which the time off is granted.

SEC. 30. All projects shall be conducted in accordance with safe working conditions and every effort shall be made for the prevention of accidents.

SEC. 31. Wages to be paid by the Federal Government may not be pledged or assigned, and any purported pledge or assignment shall be null and void.

SEC. 32. Project employees on an hourly basis shall be required to show evidence of registration and occupational classification by a designated office of the United States Employment Service before assignment to work on projects.

PART VI. ASSIGNMENT, CLASSIFICATION, AND EMPLOYMENT RECORDS

SEC. 33. The assignment and reassignment of project employees and the classification and reclassification by occupational title of project employees paid on an hourly basis shall be the responsibility of the State works progress administration. The several State Works Progress administrators are hereby authorized and directed to continue:

(a) To analyze occupational work experience and training of persons certified for project employment for the purpose of classifying them according to occupational characteristics;

(b) To make every reasonable effort, consistent with prompt employment to assign such persons to work on projects at their usual or related occupations; and

(c) To maintain individual occupational classification records showing work experience, qualifications, primary and secondary occupational classifications, and other related information.

PART VII. EFFECTIVE DATE

SEC. 34. These rules and regulations shall become effective at the beginning of pay-roll periods on and after April 20, 1939, and shall supersede administrative orders Nos. 62 and 65 of the Works Progress Administration, which are hereby rescinded.

[SEAL] F. G. HARRINGTON, *Administrator.*

[F. R. Doc. 39-1324; Filed April 18, 1939; 10:19 a. m.]

Mr. SCHWELLENBACH. Mr. President, will the Senator from Kentucky yield to me so that I may ask the Senator from Nevada a question?

Mr. BARKLEY. I yield.

Mr. SCHWELLENBACH. I will state to the Senator from Nevada that there is prevalent in the city of Washington a rumor that there are many persons connected with the Congress who believe that within the next few days so many Members of the Congress will be tired of this session that they will leave and that the Congress will not be able to get a quorum after the next 2 or 3 days.

In view of the statement submitted by the Senator from Nevada does he not believe that those who are so anxious to return home, and who may thus compel Congress to adjourn by reason of failure to obtain a quorum, will by such action cause the failure of adoption of the Senator's proposal? And will they not by their action in going home, or to some place else, cause a continuation of this very cruel policy which was put into the Works Progress legislation?

Mr. McCARRAN. If I may answer in the time of the Senator from Kentucky——

Mr. BARKLEY. I yield.

Mr. McCARRAN. I may say that, so far as I am personally concerned and I believe so far as a majority of the Senate is concerned, I and they are entirely content to remain here to the end that those who are interested and those who need proper consideration shall not be neglected and that the wage structure of the country shall never be torn down because of the absence of Members of Congress, or by any action of Congress. I hope I have answered the question of the Senator from Washington.

Mr. BARKLEY. Mr. President, the rumor to which the Senator from Washington made reference, that by the end of this week a sufficient number of Members of Congress, particularly of the Senate, would leave the city permanently, thus making it impossible to obtain a quorum during the rest of the session, has been brought to my attention.

It would be so incredible for Members of the Senate and the House of Representatives individually to leave the city in sufficient numbers to make it impossible to obtain a quorum to transact the further business of Congress, including not only the proposal of the Senator from Nevada, but other proposals, that I do not believe any such thing will happen. I realize how anxious we all are to go to our homes, but——

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BARKLEY. In a moment. I think I am within the bounds of reason when I say that by hard work we can conclude the session not later than a week from next Saturday. Certainly Senators and Representatives are willing to stay in Washington another week, or even longer if necessary, in order that vital business may be transacted. I do not believe that the rumor to which reference has been made has any foundation. I certainly hope not.

In that connection, Mr. President, I should like to say that I shall ask the Senate to continue in session tomorrow night, and to hold night sessions during the remainder of this week, in order that we may facilitate the consideration and disposition of business.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, in view of what the Senator has said about the apparently unanimous desire of Members of Congress to leave Washington, I want it understood that, speaking for myself, that is not my desire. My desire is to remain here until Congress shall have discharged whatever duties it may have to perform, and the Senator will find me ready to remain beside him until every single measure upon the calendar or in committee which should be considered is considered. From what I gather from talking with other Members of the Senate, I believe that is the attitude of a great many Members of this body.

I think attention should be called to the fact that suggestions for the adjournment of Congress frequently proceed from the mouths of persons who are not Members of Congress, and who desire to get Congress out of Washington. It is my belief that a majority of the Members of the Senate and of the House are willing to do their duty under the law.

Mr. BARKLEY. I entirely agree with the Senator from Wyoming; and for that reason I have not at all credited the rumors and statements which have been brought to my attention. We all know that as soon as Congress meets in January, persons inside and outside the Congress begin to speculate about when we are going to adjourn. We all make such a desperate effort to become and remain Members of Congress that I do not think we ought to make a desperate effort to get away before we have performed our duty. I think the Senator from Wyoming speaks the sentiments of the overwhelming majority of Members of this body when he says that we will stay here until we have performed our public duty.

It so happens that individual Senators, because of illness and perhaps for other legitimate reasons, are compelled temporarily to absent themselves. One Senator came to me today and advised me that he had to leave tonight, on the advice of his physician, because of personal illness. Of course, in such a case no one could insist that a Senator stay in Washington and jeopardize his health or his life in the performance of his duty. However, taking the Senate by and large, I think it is willing and ready to stay here and perform its duty.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BYRNES. I expect to remain in Washington until the final adjournment of Congress, as I always do. However, if the Senator means that we are to stay here until we shall have disposed of all the bills on the calendar, and all the bills in committee, I should like to know it, so that I may make my plans accordingly.

Mr. BARKLEY. I have no such idea. I said that I thought we could wind up the necessary business next week. I still entertain that hope. However, that certainly does not include cleaning the calendar of all the bills on it, and disposing of all the bills now before committees. I have no such view as that. I hope the Senator did not think I meant any such thing.

Mr. BYRNES. No.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

THE JUDICIARY

The PRESIDING OFFICER (Mr. HILL in the chair). If there be no reports of committees, the clerk will state the nominations on the calendar.

The legislative clerk read the nomination of Walter Bragg Smith to be United States marshal for the middle district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL RESOURCES PLANNING BOARD

The legislative clerk read the nomination of George F. Yantis to be a member of the National Resources Planning Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 26, 1939, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 25, 1939

UNITED STATES MARSHAL

Walter Bragg Smith to be United States marshal for the middle district of Alabama.

NATIONAL RESOURCES PLANNING BOARD

George F. Yantis to be a member of the National Resources Planning Board.

APPOINTMENTS IN THE REGULAR ARMY

Tillman Davis Johnson to be first lieutenant, Medical Corps.
Carl Winn Hall to be first lieutenant, Medical Corps.
Michael Deane Buscemi to be first lieutenant, Medical Corps.
Raymond Cunningham Stiles to be first lieutenant, Medical Corps.
Russell Edward Hanlon to be first lieutenant, Medical Corps.
James Samuel Fisackerly to be first lieutenant, Medical Corps.
Henry Curtis Harrell to be first lieutenant, Medical Corps.
James Francis Reilly to be first lieutenant, Medical Corps.
Hensley Starling Johnson to be first lieutenant, Medical Corps.
George N. Schuhmann to be first lieutenant, Medical Corps.
Fredrick Clinton Hopp to be first lieutenant, Medical Corps.
Harvey Clark Boyd to be first lieutenant, Medical Corps.
Carroll Steiner Svare to be first lieutenant, Medical Corps.
Edward John Doyle to be first lieutenant, Medical Corps.
Jesse Moyer Swink to be first lieutenant, Dental Corps.
Jack Benjamin Caldwell to be first lieutenant, Dental Corps.
Raymond Waldmann to be first lieutenant, Dental Corps.
Carroll Godfrey Hawkinson to be first lieutenant, Dental Corps.
George Herbert Moulton to be first lieutenant, Dental Corps.
George Broughton Foote to be first lieutenant, Dental Corps.

APPOINTMENT TO TEMPORARY RANK IN THE AIR CORPS, REGULAR ARMY

Carlyle Hilton Wash to be colonel.
Ross Franklin Cole to be lieutenant colonel.
Hugo Peoples Rush to be major.

PROMOTIONS IN THE REGULAR ARMY

George Winship Easterday to be colonel, Coast Artillery Corps.
Clinton Albert Pierce to be lieutenant colonel, Cavalry.
John Redmond Thornton to be major, Cavalry.
George Roland McElroy to be major, Cavalry.
Douglas Horace Rubinstein to be major, Infantry.
Sam Foster Seeley to be major, Medical Corps.
William Draper North to be major, Medical Corps.
Clifford Veryl Morgan to be major, Medical Corps.
William Henry Lawton to be major, Medical Corps.
James Elmo Yarbrough to be major, Medical Corps.
Abner Zehm to be major, Medical Corps.
Walter Frederick Heine to be major, Medical Corps.
Charles McCabe Downs to be major, Medical Corps.
John Winchester Rich to be major, Medical Corps.
Thomas Brown Murphy to be major, Medical Corps.
Huston J. Banton to be major, Medical Corps.
Hervey Burson Porter to be major, Medical Corps.
John Joseph Pelosi to be captain, Medical Corps.
Patrick Ignatius McShane to be captain, Medical Corps.
Louis Samuel Leland to be captain, Medical Corps.
Joseph Francis Linsman to be captain, Medical Corps.
Albert Fields to be lieutenant colonel, Dental Corps.
Roger Giles Miller to be major, Dental Corps.
John Knox Bodel to be chaplain, with the rank of lieutenant colonel, United States Army.
William Roy Bradley to be chaplain, with the rank of lieutenant colonel, United States Army.
James Lloyd McBride to be chaplain, with the rank of lieutenant colonel, United States Army.

PROMOTIONS AND APPOINTMENTS IN THE NAVY

MARINE CORPS

Ralph E. Forsyth to be major.
William J. Scheyer to be major.
Lawrence T. Burke to be major.
Thomas J. Walker, Jr., to be major.
Charles W. Kail to be major.
William K. Pottinger to be captain.
George N. Carroll to be captain.
Paul E. Wallace to be captain.
Marshall A. Tyler to be captain.
Wilbur J. McNenny to be captain.
Joslyn R. Bailey to be captain.
Donald W. Fuller to be captain.
David W. Stonecliffe to be first lieutenant.
Fred T. Bishopp to be second lieutenant.
Robert F. Jenkins, Jr., to be second lieutenant.
Benjamin B. Manchester, III, to be second lieutenant.
Albert W. Moffett to be second lieutenant.
Thomas V. Murto, Jr., to be second lieutenant.
Robert Philip to be second lieutenant.
John W. Stevens, 2d, to be second lieutenant.
Edwin J. St. Peter to be second lieutenant.
James Taul to be second lieutenant.
Waite W. Worden to be second lieutenant.

POSTMASTERS

ALABAMA

Julia J. Harkness, Eutaw.
Eunice D. King, Midway.
Addie M. Cannon, Mount Vernon.
Jesse A. Harris, New Brockton.
Roe P. Greer, Sylacauga.
William F. Gulledge, Tallassee.
Blanche Hendon, Townley.
Henry G. Sockwell, Tuscumbia.

CALIFORNIA

Guy N. Southwick, Atascadero.
Leonard F. De Goff, Brea.
Richard A. Higgs, Chula Vista.
Emma B. Baily, Corte Madera.
Carlton T. Hansen, Crescent City.
Thomas J. Caffery, El Monte.
Charlotte A. Cavalli, Half Moon Bay.
Robert A. Ascot, Highland.
Hazel G. Nearing, Hondo.
Arthur J. Haycox, Hueneme.
John E. Nolan, Jamestown.
Rodney McCormick, Napa.
Louis E. Clay, Pacific Grove.
Arvin P. Ralston, Patterson.
Florence E. Cornelius, Piru.
Eugene L. Scott, Porterville.
Mary M. Wilson, Rio Linda.
Kelley C. Osgood, Riverbank.
Manuel Dos Reis, Jr., San Anselmo.
William C. O'Donnell, San Luis Obispo.
Frederick T. Hale, Santa Cruz.
Leo H. Strickland, Venice.
Edward I. Leake, Woodland.

FLORIDA

Hugh McCormick, Eau Gallie.
Blanche B. Merry, Pass-A-Grille Beach.
Margaret H. Futch, Sebastian.
James Frank Cochran, Tallahassee.

IOWA

Frances O'Donnell, Colo.
Helen A. Mohr, Sabula.

KANSAS

Harold J. Schafer, McPherson.
William Ross Whitworth, Sedan.
John E. Barrett, Topeka.

KENTUCKY

Clifford O. Ducker, Butler.
Roy Willis, Caneyville.
Ressie H. Miller, Cloverport.
Dennis L. Sullivan, Corinth.
Mary Virginia Garvey, Sanders.

LOUISIANA

Jack Bostwick, Bastrop.
John E. Butler, Jr., Port Allen.

MICHIGAN

John L. Swartout, Addison.
Marie L. Mottes, Alpha.
Florence S. Abbott, Ann Arbor.
Henry Miltner, Cadillac.
John S. Courtney, Marquette.
Anna S. Warner, Mount Pleasant.
Ralph C. Wolcott, North Adams.
Orin K. Grettenberger, Okemos.
Gilbert H. Davis, Royal Oak.
Adeline E. Phillips, St. Louis.

MINNESOTA

Ingval Lynner, Clarkfield.
Edward R. Siem, Elgin.
Sophia V. Rader, Warroad.
Leon L. Bronk, Winona.

MISSISSIPPI

Ethel W. Still, Clarksdale.

MISSOURI

Joseph D. Stewart, Chillicothe.
Allen W. Sapp, Columbia.
Clarence C. Wilkins, Hornersville.
Edgar G. Hinde, Independence.
Robert L. Chappell, Louisiana.
Zera Lee Stokely, Poplar Bluff.

NEW HAMPSHIRE

Michael J. Carroll, Laconia.

NEW JERSEY

Edward Brodstein, Asbury Park.
John Russell, Barnegat.
James T. Brady, Bayonne.
Everett H. Antonides, Belmar.
Norman H. Deshler, Belvidere.
Michael H. Connelly, Bloomfield.
Irving Washburn, Dover.
Elizabeth MacBrair, Essex Fells.
Verona K. Christie, Fanwood.
George W. Karge, Franklinville.
Herbert Schulhafer, Linden.
Wilmer Lawrence, Milford.
William D. Hayes, Millburn.
Russell J. Noncarrow, Morristown.
Patricia B. Hanlon, Mountain Lakes.
Lillian M. Roe, Mountain View.
Augustus J. Hans, Netcong.
Abraham G. Nelson, New Market.
Harry J. Bowitz, Oakland.
William H. Fisher, Phillipsburg.
John Jenkins, Port Norris.
Franke Vera Carter, Tenafly.
Helen S. Elbert, Vincentown.

NEW YORK

Edward P. McCormack, Albany.
Robert J. Sheehe, Arcade.
Willard H. French, Atlantic Beach.
Thomas A. O'Neill, Au Sable Forks.
Andrew J. Melton, Bay Shore.
John Foye, Brockport.
William J. Gleason, Cortland.
Charles C. Curry, Dansville.
Arthur I. Ryan, Delmar.
Flora M. Matty, Evans Mills.
Willard S. Brown, Fair Haven.
John J. Finnegan, Fairport.
James P. Barton, Firthcliffe.
Edward A. Rice, Freeport.
Joseph H. Wilson, Highland Falls.
John W. Beggs, Jefferson.
Robert F. McCabe, Johnson City.
Daniel J. Ryan, Johnsonville.
Edward A. Laundree, Keeseville.
Edward Hart, Lake Placid Club.
Everard K. Homer, Livingston Manor.
Dudley C. Merritt, Locust Valley.
Edward V. Canavan, Niagara Falls.
Frederick J. Clum, Pawling.
William Henningsen, Port Jefferson Station.
Louis S. Martin, Redwood.
Harold T. Hubbard, Riverhead.
Teresa V. Ball, Rye.
Mary E. Gainor, Salem.
William H. Butler, Saranac Inn.
Mary F. Chambers, Shortsville.
Carrie B. Baldwin, South Otselic.
J. Frank Lackey, Tannersville.
Wilfred R. Carr, Warwick.
Charles Green Brainard, Waterville.
John E. Abplanalp, Youngsville.

NORTH CAROLINA

John O. Redding, Asheboro.
Frank H. Stinson, Banner Elk.
Henry L. Avent, Buies Creek.
George F. Bost, Hickory.
James F. Seagle, Lincolnton.
Russell G. Cashwell, Lumberton.
Michael B. Kibler, Morganton.
Marguerite W. Maddrey, Seaboard.
Bonnie B. Shingleton, Stantonsburg.
Duncan F. McGougan, Tabor City.

OHIO

Benjamin R. Mulholland, Alger.
Fred B. Weaver, Amelia.
Harry Hamilton, Beallsville.
John D. Moorehead, Bethel.
Charles Creeden, Celina.
Ralph W. Litzenberg, Centerburg.
Samuel B. Maury, Clarington.
Charles A. McCrate, Columbus Grove.
Virgil Davis, Corning.
Alexander J. Shenk, Delphos.
Edgar J. Orvis, Dover Center.
Burton R. Taylor, Dresden.
Dean W. Wright, Elida.
Paul E. Ruppert, Franklin.
Raymond E. Fissel, Galena.
Duward B. Snyder, Grand Rapids.
Edna L. Merkle, Hartville.
Gladys Mae Dorko, Marblehead.
Raymond R. Riehle, Milford.
Sister Alice Marie O'Meara, Mount Saint Joseph.
Herman J. Laut, New Bremer.
Henry J. Brubaker, New Carlisle.
Philip B. Mason, Pickerington.
William Howard Clark, Rossmoyne.
Albert J. Beckman, St. Henry.
William H. Uetrecht, St. Marys.
Iva A. Falls, Shawnee.
William B. Swonger, Sidney.
Mary A. Patterson, Solon.
Carroll Williamson, Sunbury.

Elsie S. Shafer, Trenton.
Raynor R. Newcomb, West Unity.

OKLAHOMA

Margaret Cummins, Chattanooga.
Grover H. Hope, Frederick.
Hannie B. Melton, Hastings.
Finis E. Gillespie, Hobart.
James Q. Tucker, Hollis.
Charles H. Hayes, McLoud.
Jesse G. Ford, Roosevelt.
Chester A. Holding, Tipton.
Garland C. Talley, Welch.

SOUTH CAROLINA

Bessie W. Martin, Belton.

WASHINGTON

Lloyd K. Sullivan, Chehalis.
Edith M. Lindgren, Cosmopolis.
Ernest H. McComb, Everson.
Clarence A. Scott, Harrington.
Walfred Johnson, Lowell.
Leonard McCleary, McCleary.
James H. Callison, Palouse.
Hazel M. Surber, Pe Ell.
Bertha H. Welsh, Prescott.
Peyton B. Hoover, Rochester.
M. Berta Start, Winslow.

WEST VIRGINIA

Maurice L. Richmond, Barboursville.
Herbert H. Crumrine, Middlebourne.
David J. Blackwood, Milton.
Roy L. Pugh, Winona.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 25, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of mercies, in Thy holy Word what endless glory shines; we pray Thee to teach us to love it and find our Saviour there. Nothing can lessen the dignity and the value of humanity so long as loving devotion to it endures; let it be our light and strength. We beseech Thee to incline the hearts of employers and of those whom they employ to mutual forbearance, fairness, and good will. Blessed Lord God, we pray for the aged, for the young, and for those who are overtasked because of poverty and forgotten. May our love be as fresh as the dawn and as sure as the path of Thy law. Wherever the morning light falls on human faces may it cheer, make homes happy and true, men and women good, and little children joyous; in the Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2150) entitled "An act to amend section 8 of the act entitled 'An act to supplement laws against unlawful restraints and monopolies, and for other purposes,' particularly with reference to interlocking bank directorates, known as the Clayton Act."

ELECTION TO COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution for immediate consideration.

The Clerk read as follows:

House Resolution 272

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

Military Affairs: William D. Byron, Maryland.
District of Columbia: Thomas D'Alesandro, Jr., Maryland.
War Claims: Matthew A. Dunn, Pennsylvania; A. Leonard Allen, Louisiana; David J. Ward, Maryland.
Coinage, Weights, and Measures: David J. Ward, Maryland.
Mines and Mining: David J. Ward, Maryland.

The resolution was agreed to.

NAUTICAL EDUCATION

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5375) to promote nautical education, and for other purposes, with Senate amendments, disagree to the Senate amendments, request a conference with the Senate, and appoint conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BLAND, SIROVICH, RAMSPECK, WELCH, and CULKIN.

DEVELOPMENT OF AMERICAN MERCHANT MARINE

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6746) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes, with a Senate amendment, disagree to the Senate amendment, request a conference with the Senate, and appoint conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BLAND, SIROVICH, RAMSPECK, WELCH, and CULKIN.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on career men in the Government service and to include therein a brief article from the Federal Employee.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief table of statistics.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

APPROPRIATIONS AND THE NATIONAL DEBT

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, at the last session of Congress the total appropriations, direct, reappropriations, and permanent appropriations, were $13,371,000,000. This year so far they are $13,836,000,000, an increase of $465,000,000.

Our expenditures last year exceeded receipts by $3,600,000,000. Our debt increased $3,264,000,000. The debt of Government corporations increased $4,415,000,000. The total increase in the debt of the Government direct and of Government corporations was $7,680,000,000. This is the worst record of all time and it behooves Congress to stop the so-called spending bill that is coming in designed to wreck completely the financial structure of America and to throw more people out of work.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SCRUGHAM asked and was given permission to extend his own remarks in the RECORD.

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an analysis by the Veterans' Administration relating to the bill (H. R. 2296) with reference to correction of misconduct restrictions, and H. R. 5452, with reference to additional care for disabled veterans and their dependents.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a statement prepared by the War Department in explanation of the bill, H. R. 7328, with reference to the problem created by increasing superannuation of officers in the field grades of the Regular Army, and I ask unanimous consent that it be printed in the body of the RECORD in 8-point type for the benefit of the membership of the House who want to get the information in respect to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The statement referred to follows:

SUPERANNUATION OF ARMY OFFICERS

H. R. 7328 is the result of long-continuing study in the War Department to find a solution to the problem created by increasing superannuation of officers in the field grades of the Regular Army. The situation is a result of the very large number of officers who were taken into the Regular Army immediately following the World War and the exceedingly low annual attrition rate. This group now numbers some 4,288 officers, ranging in age from 38 to 63, with an average age of 46. They occupy the lower files of the grade of lieutenant colonel, the entire 2,750 files of the grade of major, and the top 1,400 files of the grade of captain. Failure of normal annual attrition to weed out this group has stagnated promotion, not only of these officers themselves but of those who have been commissioned since the World War. When it is realized that there are nearly 1,400 officers of World War service who are still in the grade of captain, it can be seen there is most obviously a problem which must be solved in the near future if a large portion of the commissioned personnel of the Regular Army is not to become completely superannuated.

Officers of this World War hump are gradually moving up into and through the field grades of major and lieutenant colonel, and the younger among them will eventually reach the grade of colonel. Prior to that time a considerable number will be retired on account of reaching statutory age 64. In this category are a number of captains and majors. The average age, which is now 46, will increase from year to year and eventually we will have the result that the entire grade of colonel, lieutenant colonel, and major will be filled with officers approaching an average age of 60 or more—entirely too old for either the demands of peace or war service. A more serious effect is that the presence of superannuated officers in the grade of colonel, lieutenant colonel, major, and captain is blocking the proper development of younger officers, not only in the World War group but in the groups which have been commissioned since the World War.

H. R. 7328 proposes to attain an annual attrition of 4.35 percent by supplementing annual attrition, to the extent necessary to reach that percentage, by the forced retirement of overage in grade officers. These age limitations are set at 62 for brigadier generals, 60 for colonels, 58 for lieutenant colonels, 55 for majors, and 50 for other officers. Officers forced to retire receive three-fourths of their active pay in the grade held at the time of retirement, and those with war service below the grade of colonel would be advanced one grade upon the retired list, without further increase in their retired pay by reason of such increase in grade. The minimum retirement pay which an officer would receive would be $253.12 per month; the maximum would be $375 per month.

The bill grants the option to any officer less than 58 years of age who is scheduled for retirement to elect to be carried as surplus in grade until he reaches the age of 58 years, when he will be retired as provided for officers of that age. Officers who elect to be carried as surplus in grade will be starred on the promotion list and will be entitled to pay and promotion in the same manner as other officers on that list, but in time of peace will not be assigned to the command of troops. This provision permits the utilization of the services of majors and captains, who would otherwise be retired as overage, with the Reserve Officers' Training Corps, the Organized Reserve, the National Guard, and on other duties not directly concerned with the command and training of Regular Army troops, since it is one of the purposes of this legislation to provide opportunities for training and advancement to the younger officers.

As I have stated, in the event that no steps are taken to remedy this situation, eventually all of the field officers and upper files of the grade of captain will be too old to properly command units appropriate to their grades in war. In about 15 years these officers will begin to retire in very large numbers by reason of reaching the statutory retirement age of 64. At that time the attrition rate will run far above 4.35 percent, with a consequent influx of new officers in those years so large as to re-create the problem of the hump for a succeeding generation to solve.

H. R. 7328 separates these overage officers from the active list gradually. They do not go out all at once. For example, during the first year of the operation of the act 225 officers would be retired, none of whom would be less than 60 years of age. In the next year 269 officers would be retired or placed on the surplus-in-grade list, and none would be less than 56 years of age. The following year 259 officers, which would include all brigadier generals at age 62; all colonels, age 60; all lieutenant colonels, age 58; all majors, age 55; and all captains, age 50. In the next 3 years 177, 191, and 198, respectively, would be retired or placed surplus in grade within those age limitations. This is a total of 1,319 officers of all grades who might be retired for age in grade in the first 6 years of the operation of this measure, of whom 579 would be eligible to elect being carried surplus in grade to age 58. Let me point out that if these officers are not retired for age in grade but are allowed to continue on the active list to statutory age 64, they will then be retired anyway, most of them at a higher retirement pay than they would receive if retired for age in grade. Eventually they are going to die or be on the retired list. The cost of that list is certainly not the factor which is to determine the efficiency of the national defense.

It has been represented to certain Members of the Congress, either in anonymous communications or by interested individuals, that this measure is aimed at the World War group and is in favor of West Pointers. Nothing can be further from the truth. This measure will separate overage officers from the active list regardless of their source of appointment. Since it is a continuing measure, eventually it will operate to eliminate overage officers in the post-war group as the older officers in that group reach field grades and become overage in those grades. Enactment of this measure will benefit all of the younger officers in the World War hump as well as all the younger officers in the Army. The enactment of this measure will guarantee a suitable career to officers who are now entering the service, in that they may be assured of reaching the various commissioned grades to include that of colonel at ages which will insure proper experience within each grade, which is essential in the development of an officer in meeting the responsibilities of higher rank both in the command and administrative field. If not done the present stagnation in promotion will continue, and officers entering the service must expect to spend at least 25 years in the company grades and reach the higher field grades only when they are superannuated for the commands appropriate to those grades.

Opponents of this measure have also stated that officers have an implied contract with the Government which, barring retirement for physical disability or death, permits them to continue in the service drawing active-duty pay until they reach statutory age 64. I believe it should be made plain that a commission in the Army is not to be regarded as a life job for an individual at the expense of the good of the service. We have recently made provision for augmentation of the Air Corps and for increases in the Panama Canal garrison as well as for improved weapons; yet the Army cannot be considered an effective war machine if it has in its commissioned personnel an excessively large number of officers who are over age in grade. Let me emphasize that captains of 50, majors of 55, lieutenant colonels of 58, and colonels of 60 are too old for active command in time of war. In fact, they are much too old, and those who are approaching those ages will have to be used upon mobilization on training and administrative duties, leaving to the younger officers in those grades the active command of troops in war. Today the average age of our field officers is 13 years greater than that of the field officers who commanded combat units in France. The assumption, made by anonymous opponents, that these officers would be promoted two grades in event of war is erroneous. The conditions existing during the World War in that regard no longer apply since there is a body of over 100,000 Reserve officers to fill vacancies in all grades upon mobilization.

It has further been asserted that to force officers to retire for over age in grade will cause the loss of the services of an experienced and capable officer who has cost the Government a large sum of money in pay and cost of training. The bill provides for the retention in active services of such officers below age 58 who so elect, until they reach that age; these officers will be utilized on duties not in command of troops. The retirement or carrying surplus in grade of an over-age officer is not a loss; it is an imperative vitalization proceeding for the good of the Army. Admitting his capability and experience he is none the less as much out of place to lead troops in a war army as an over-age baseball player on a baseball team. When an over-age officer is retired or placed surplus in grade a new second lieutenant comes into the service—true; not as experienced and capable as the one who goes out, but young and energetic, and in a few years' time an officer capable of leading our troops into battle, while if you keep the over-age officer on the active list for that period you have just an older officer, still far more out of line with the requirements of the war machine. His services may be used upon mobilization for training and administrative duties in rear of the combat zone.

It has been suggested that instead of retiring these officers, all might be placed on some type of a limited-service list and continued on such duty as might be appropriate for them. This would mean that these over-age officers would have to be assigned to duty with the Organized Reserves, to duty with the National Guard, and to duty with the R. O. T. C. All of these activities at the present time are reluctant to accept colonels, lieutenant colonels, and majors unless they are young and vigorous. They are definitely opposed to the assignment of old colonels or other old field officers to these duties. Aside from the difficulty of finding appropriate assignments for these officers, the cost of such a system would be excessive, reaching a figure of $3,000,000 over the cost of this present vitalization measure in the fifth year of its operation, and increasing at a rate of $350,000 to $400,000 annually until an annual cost of $6,000,000 would be reached, at which time it would probably stabilize at that figure. The compromise in this bill, limiting the officers to be carried surplus in grade to those under

58, is one which will permit the utilization of the lower limit overage officers in administrative capacities and with the civilian components, until they reach the age of 58.

The United States is the only one of the great powers which does not have a method of keeping its officer personnel young and vital. Great Britain has recently adopted a forced retirement measure which is far more drastic than that proposed in H. R. 7328. Great Britain retires her general officers at the age of 60, her colonels at age 55—5 years younger than the age of 60 provided in H. R. 7328; her lieutenant colonels at 50, 8 years younger than this measure; her majors and other officers at 47. France, Italy, Japan, and Soviet Russia have similar age in grade retirement systems. Germany has a drastic selection system.

During the World War Gen. John J. Pershing sent two cables to the War Department urging that only young and vigorous officers be sent to France. These cables appear in full on pages 23 and 24 of the printed hearings on this measure. I desire to quote part of the one dated June 28, 1918:

"Personal considerations, of course, cannot be taken into account. Individual desires and records of long and faithful service are not sufficient to warrant our overlooking the stern requirements of war. We must profit by the experience and advice of our Allies, who are quite as fully concerned as ourselves in the issue. We cannot listen to theory or take into consideration the few isolated exceptions where old men have commanded in past wars. The spirit of the Nation requires youth and vigor in commanders. The fine personnel in the ranks demand the best leadership we can find."

War Department studies show that unless a vitalization measure such as is proposed in H. R. 7328 is enacted into law, second lieutenants who entered the Army in 1920 will not reach the grade of colonel until after 38 years' service, or at an average age of 62, and even this prediction is based on a 40-percent ratio of field officers and the assumption that the commissioned strength will be augmented annually for 10 years to reach the increased strength recently authorized in connection with the Air Corps and Panama Canal Department augmentation program. Obviously the present situation of stagnation will not correct itself. Congressional action is essential to avoid a chronic condition of superannuation in the officer corps of our Army.

We hear of opposition to this measure on the grounds that officers of World War experience will be eliminated. This is not a valid argument, for it is only through the elimination of overage officers that the Army will be able to advance the young officer of World War experience, thus utilizing that experience in close connection with modern trends in tactics and organization made necessary by improved weapons and means of communication and transportation. These advances in aviation, weapons, motorization, and mechanization, and the consequent necessity of dealing with new weapons, faster vehicles, changed organizations, clearly indicate that the next war will not be fought as was the World War. It therefore follows that we do not need the superannuated officer even of World War experience, but we do need the man of World War experience young enough to be developed, and the men who have followed him into the service and who must be developed to eventually take his place.

The test of the value of our Regular officers is not whether or not they are performing satisfactorily routine duties of peace but is What will we have if war comes? The really valuable element must be younger officers of zeal and ability whose interest and efficiency has been maintained by reasonable advancements during their service in peace when preparing themselves and the Nation for the use of its armed forces in war. They become qualified for service in war by virtue of experience gained during service in peace.

The experience of all nations indicates that removals from the active list must accomplish two distinct things: First, remove all officers who fall below the standards, physical or otherwise, that are essential for service in war; and second, insure opportunity for advancement and training of younger officers. Removals from the active list for the second purpose are always necessary to some extent. In our present situation, with a large hump of some 4,300 officers of about the same age and length of service, such removals are absolutely vital to establish an efficient officer corps for war.

The vitalization measure, H. R. 7328, in addition to providing this opportunity for younger officers, both in the World War hump and in the post-war group, insures economical maintenance and is in full accord with the established principle that officers whose maximum possible return in future service is not commensurate with the cost of carrying them along in active service to eventual retirement with a high rate of retired pay should be eliminated from the active list.

No system which will vitalize the promotion list of the Regular Army will not create some dissatisfaction and opposition among officers affected. Your committee believes that this measure is the fairest one that can be devised and one which will cause the least disorganization and dissatisfaction in the service. A poll conducted by the Army and Navy Journal reveals an over 2-to-1 proposition in favor of this particular measure. I have received the assurance of the President that he is strongly in favor of this measure and that he urgently recommends its enactment by this session of the Seventy-sixth Congress.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein an essay by the daughter of Captain Judd.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. ANDERSON]?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a brief article on Government spending.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. TREADWAY]?

There was no objection.

CAMPAIGN PROMISES

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, after the statement made by the gentleman from New York [Mr. TABER] just a few minutes ago, may I read an excerpt from a speech made in Pittsburgh on October 19, 1932, by Mr. Roosevelt?

> The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good.
>
> If, in some crises, it lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending; if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy.

Mr. Roosevelt must have changed since October 1932, for he is doing now to our Government what he then condemned. Why the change? Why is he now wrecking our Government and taking us over the brink of solid financing to bankruptcy?

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. FORD]?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include Accumulative Statement of the Unemployed Citizens' League, Unit No. 239, Santa Monica, J. H. Harney, Auditor.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. FORD]?

There was no objection.

[Mr. LELAND M. FORD addressed the House. His remarks appear in the Appendix.]

HELL-RAISING

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I am about to make and to extend my remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, General Motors operating 70 plants in 40 cities with jobs for 150,000 workers, at times employing as many as 220,000 men and women, has been attempting to turn the Nation back on the road to recovery. But as it was in 1937 more than 2 years and 6 months ago, so it is now, John L. Lewis and his affiliated organizations are retarding business recovery, depriving men of their jobs, adding to the relief rolls and to the burden of the taxpayers.

In '37 Lewis, his C. I. O. and associated Communists, defying all laws, brought on the sit-down strikes and cost the State of Michigan and its workers almost $100,000,000.

Today strikes are spreading in the plants of General Motors, which is caught in the fight between the affiliates of the A. F. of L. and the affiliates of the C. I. O., with Homer Martin representing one group of unions, Thomas another

group, and the independent worker, the man who does not want to join either union, unrepresented, General Motors is caught in a jam. Held helpless while women and men go jobless because the N. L. R. B. has never called an election so that the 150,000 employees of General Motors could decide whether they wished to bargain collectively and if they did, who should represent them in such collective bargaining.

Here we sit in Congress while Lewis, backed by the administration, by the Department of Labor, using the N. L. R. B. to aid his strikes and force employers and employees into a contract with his unions, seeks to levy tribute upon every citizen who would work. He is demanding a closed shop in the packing industry in Chicago. He intends to extend his rule to include not only every industrial worker but every agricultural worker. Lewis lives in luxury. He has a salary of $25,000 a year. He collects millions of dollars each year from out of the pocketbooks of the man who toils, while those who join his unions live on what he terms an insufficient wage.

No tyrant in the olden days levied tribute more successfully than does he. We in Congress do nothing to break his rule. [Applause.]

[Here the gavel fell.]

FEDERAL FARM BOARD

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, history has a rather irritating way of moving in parallels. Prior to 1932 we had a Federal Farm Board which once held $208,000,000 worth of cotton and 247,000,000 bushels of wheat. When we closed that agency out we lost $371,000,000.

I noticed on yesterday there was practically an all-time low in the prices of grain. Prices have declined 11 cents since the 1st of July. The Liverpool price of wheat is the lowest since the days of Queen Elizabeth, more than 300 years ago. I was advised through the newspapers of my district that the Secretary of Agriculture is contracting for from 25,000 to 50,000 steel bins in which to store the surplus in the ever-normal granary in the Middle West. I wonder if we are going to see a repetition of the days when Alexander Legge administered the Federal Farm Board, which Board was criticized by the President in 1932.

In the Democratic platform of 1932 there was embodied a plan which assailed the extravagances of the Federal Farm Board. In the address made by Mr. Roosevelt at Topeka, Kans., on September 14, 1932, he railed at the Farm Board and referred to the cruel joke of permitting our fertile acres to lie idle.

How paradoxical then that the very things which were so vociferously condemned then are embraced now as a part of the administration's program.

More acreage is being diverted today than at any time in the history of the Nation. Supplies are at a record level. Prices are on the toboggan. The market is making new lows. This morning's newspaper quotes July lard at 5½ cents per pound. A record pig crop was produced for the year 1939, almost equal to the all-time record of 1937. It is safe to say that pork and lard prices have not yet touched bottom. A huge corn crop is in prospect and growing conditions are ideal. To the administration, the prodigality of Nature must be almost regrettable.

Meanwhile, the Commodity Credit Corporation is carrying huge loans and storage facilities are being erected or provided at Government expense. But all this fails to solve the problem because the surpluses remain on hand and a part of the visible supply, whether stored in Federal facilities or in private elevators. It will continue to overhang the market and have a depressant effect on prices. When the time comes to liquidate and take the loss, the operations of the Federal Farm Board will appear as so much small change and we can nurse our economic aches, secure in the conviction that you cannot repeal the fertility of the soil, the prodigality of Nature, or the law of supply and demand.

FEDERAL CREDIT

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, this Nation today depends for its supply of its circulating medium on the creation of demand bank deposits by the banks for the making of loans. In other words, the volume of our debt is the measure of our having a circulating medium at all. This is wrong and is due to the failure of Congress to exercise its constitutional duty of creating the money of the Nation.

In the twenties private debt increased about $70,000,000,000. Until 1933 the local governments' debt was increasing by about a billion dollars a year, which means there was that much expansion taking place in check-book money in the country. Since 1933 the local governmental debt has been declining. Private debt has declined. Federal Government debt is only a substitution for the failure of those other forms of debt to increase. If you want to get rid of debt you have to establish a system for the creation of money by the Government, which is the only agency in the country that has a constitutional or moral right to create money. When you do that you can get rid of debt. Until that time, increasing Federal debt will have to be used to make up for the failure of private debt to increase rapidly enough to make up for the withdrawal of hoarded savings from the stream of current buying power of the people. Our choice is between constitutional creation of money by Congress on the one hand and increasing debt, either public or private, on the other.

[Here the gavel fell.]

INTERNAL REVENUE TAX PAID ON SPIRITS

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 1648) to provide for the refund or credit of the internal-revenue tax paid on spirits lost or rendered unmarketable by reason of the floods of 1936 and 1937 where such spirits were in the possession of the original taxpayer or rectifier for bottling or use in rectification under Government supervision as provided by law and regulations.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman from Indiana explain this bill?

Mr. BOEHNE. The explanation of this bill, Mr. Speaker, lies entirely in the provision which states that it seeks to make a refund or give a credit, as the Commissioner of Internal Revenue may elect to do, of the internal-revenue tax paid on spirits lost or rendered unmarketable as a result of the Ohio River floods of 1936 and 1937. The spirits were in the possession of the original taxpayer but were in complete control and custody of the United States Government; therefore the amount can be determined actually by Government records.

Mr. MARTIN of Massachusetts. The Seagram Co. is the only company that will benefit from this act?

Mr. BOEHNE. I believe that is true.

Mr. MARTIN of Massachusetts. How much money is involved?

Mr. BOEHNE. Approximately $400,000, or less than 4 days' taxes which that company pays to the Federal Government.

Mr. MARTIN of Massachusetts. For what reason is the Treasury opposed to the bill?

Mr. BOEHNE. The gentleman will have to read the report to find that out. I cannot answer that question.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The Seagram Co. was the only such company affected by the flood; is not that correct?

Mr. BOEHNE. Yes.

Mr. MARTIN of Massachusetts. I asked why the Treasury is opposed to the bill?

Mr. BOEHNE. I cannot answer the gentleman's question. He will have to refer to the report. I could not, and neither could the Committee on Ways and Means, fathom the reasons why the Treasury Department is opposed to the bill.

Mr. MARTIN of Massachusetts. Does the gentleman think they are a little dumb down there in the Treasury Department? Is that what the gentleman is trying to tell us?

Mr. BOEHNE. I do not think the gentleman from Massachusetts would expect me to answer that question.

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Speaker, I should like to say to my distinguished floor leader—not that I am here defending the Treasury, because the Treasury does not need me to defend it—that it is true, as my good friend from Indiana has said, that this report from the Treasury is hardly up to the standard one might expect from the Secretary of the Treasury who is supposed to be the equal of Alexander Hamilton.

Mr. RICH. Reserving the right to object, Mr. Speaker, did I correctly understand that the Treasury Department has opposed this particular bill?

Mr. BOEHNE. They have.

Mr. RICH. Does not the gentleman believe they have a right to do so and that they should oppose any refunds that are not in accordance with what they believe to be the law? When you look at the Treasury statement issued by Mr. Morgenthau you will find that since July 1 for 20 days we have gone in the red $391,000,000. This means over $19,590,000 a day since July 1. How in the world is Mr. Morgenthau going to conduct the affairs of this Government if you come in here and ask for a refund of $400,000? Does he not need this money? Surely he does. Why are you now trying to bring in a bill prohibiting him from getting this amount of money he so urgently needs?

Mr. BOEHNE. Will the gentleman from Pennsylvania agree to double the taxation on the very same thing?

Mr. RICH. No; I do not want to double the taxation; but why are you asking for the passage of a bill that the Treasury Department does not approve?

Mr. BOEHNE. Because I believe and the Committee on Ways and Means believes that the Treasury Department was wrong in this instance.

Mr. RICH. Is this a unanimous report of the Committee on Ways and Means?

Mr. BOEHNE. There was a single objection in the committee.

Mr. RICH. Why does not that single objector come here now and object to this unanimous-consent request?

Mr. BOEHNE. The minority views are in the report.

Mr. RICH. Is seems to me this bill ought to be given more consideration than being brought up under unanimous consent.

Mr. KNUTSON. Reserving the right to object, Mr. Speaker, I believe at this point the RECORD should show that the bill was considered by a subcommitee of the Committee on Ways and Means and by the full committee, and that the full committee went very exhaustively into the objections made by the Treasury Department and found several statements in the letter of the Treasury Department that were in conflict with each other.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Commissioner of Internal Revenue is authorized and directed to make refund, or in lieu thereof, if he so elects, allow credit in the amount of the internal-revenue tax paid on spirits previously withdrawn and lost or rendered unmarketable or useless by reason of the floods of 1936 and 1937 while such spirits were in the possession of the person originally paying the said tax on such spirits, or while such spirits were in the possession of a rectifier for rectification or for bottling, or which have been used in the process of rectification, under Government supervision as provided by law and regulations. A claim for such tax shall be filed with the Commissioner of Internal Revenue within 30 days from the effective date of this act in which proof shall be furnished to his satisfaction that (1) the internal-revenue tax on such spirits was fully paid; (2) that the same were in the possession of the claimant as above set forth at the time of such loss; (3) that such spirits were lost or rendered unmarketable or useless by reason of damage sustained as the result of the aforesaid flood conditions; (4) that such spirits so rendered unmarketable or useless have been destroyed; and (5) that claimant was not indemnified against such loss by any valid claim of insurance or otherwise.

(b) Where credit is allowed for the internal-revenue tax previously paid aforesaid, the Commissioner of Internal Revenue is authorized and directed to provide for the issuance of stamps to cover the spirits subsequently withdrawn to the extent of the credit so allowed by the Commissioner of Internal Revenue and the Commissioner of Customs.

(c) The Commissioner of Internal Revenue and the Commissioner of Customs, with the approval of the Secretary, are authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

With the following committee amendments:

Page 2, line 18, after the word "paid", insert the word "as."

Line 22, after "Revenue", strike out "and the Commissioner of Customs."

Line 23, after "Revenue", strike out "and the Commissioner of Customs."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent that the title of the bill just passed may be changed so that the word "of" may read "or."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. WHELCHEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a Fourth of July address delivered to the Legion of my State by Hon. Edgar B. Dunlap, of Gainesville, Ga.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AMENDMENT OF THE RETIREMENT ACT OF APRIL 23, 1904

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 839) to amend the Retirement Act of April 23, 1904, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky. [After a pause.] The Chair hears none, and appoints the following conferees: Mr. MAY, Mr. THOMASON of Texas, and Mr. ANDREWS of New York.

EXTENSION OF REMARKS

Mr. BENDER and Mr. VAN ZANDT asked and were given permission to extend their own remarks in the RECORD.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a short article from the Washington Star.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter from Mr. Ed O'Neal, president of the Farm Bureau Federation.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OF THE INTERSTATE COMMERCE ACT

Mr. LEA. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of

the Union for the further consideration of the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2009, with Mr. JONES of Texas in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

EXPENSES OF STATE COMMISSIONERS; COOPERATION WITH STATE AUTHORITIES

SEC. 10. (a) Paragraph (2) of section 13 of the Interstate Commerce Act, as amended, is amended by adding at the end thereof the following sentence: "Representatives of State commissions sitting with the Commission, under the provisions of this section, in cases pending before the Commission, shall receive such allowances for travel and subsistence expense as the Commission shall provide."

(b) The last two sentences of paragraph (3) of section 13 are amended by striking out the words "this part" where they appear therein and inserting in lieu thereof "this part or part III."

AMENDMENTS TO SECTION 15

SEC. 11. Section 15 of the Interstate Commerce Act, as amended, is amended—

(1) by striking out in paragraph (1) thereof the following: "(or, in the case of a through route where one of the carriers is a water line, the maximum rates, fares, and charges applicable thereto)";

(2) by striking out in paragraph (3) thereof the following: "(or, in the case of a through route where one of the carriers is a water line, the maximum rates, fares, and charges applicable thereto)" and by striking out in such paragraph the following: "; nor shall the Commission have the right to establish any route, classification, or practice, or any rate, fare, or charge when the transportation is wholly by water, and any transportation by water affected by this part shall be subject to the laws and regulations applicable to transportation by water."

AMENDMENTS TO SECTION 16

SEC. 12. Section 16 of the Interstate Commerce Act, as amended, is amended—

(1) by striking out in paragraph (2) thereof the word "circuit" before "court" wherever it appears and substituting in lieu thereof the word "district"; by striking out the word "petition" in the first sentence and substituting in lieu thereof the word "complaint"; by striking out the word "petitioner" in the second and third sentences and substituting in lieu thereof the word "plaintiff";

(2) by striking out in paragraph (3) (a) the words "three years" and substituting in lieu thereof the words "two years";

(3) by striking out in paragraph (3) (c) thereof the words "three years" and substituting in lieu thereof the words "two years", and by striking out the word "three-year" and substituting in lieu thereof the word "two-year";

(4) by striking out in paragraph (3) (d) thereof the word "three-year" and substituting in lieu thereof the word "two-year";

(5) by striking out in paragraph (3) (f) thereof the word "petition" and substituting in lieu thereof the word "complaint"; and

(6) by striking out in paragraph (12) thereof the words "the Commerce Court" and substituting in lieu thereof the words "any district court of the United States of competent jurisdiction" and by striking out the words "that Court" and the words "the Court" in the second sentence and substituting in lieu thereof the words "such court."

COMMISSION PROCEDURE; DELEGATION OF DUTIES; REHEARINGS

SEC. 13. Section 16a of the Interstate Commerce Act, as amended, is hereby repealed, and section 17 of such act, as amended, is amended to read as follows:

"SEC. 17. (1) The Commission is hereby authorized by its order to divide the members thereof into as many divisions (each to consist of not less than three members) as it may deem necessary, which may be changed from time to time. Such divisions shall be designated, respectively, division one, division two, etc., or by a term descriptive of the principal subject, work, business, or function assigned or referred to such divisions. The Commission may designate one or more of its divisions as appellate divisions. Any Commissioner may be assigned to such division or divisions as the Commission may direct, and the senior in service of the Commissioners constituting a division shall act as chairman thereof unless otherwise directed by the Commission. When a vacancy occurs in any division or when a Commissioner because of absence, or other cause, is unable to serve thereon, the Chairman of the Commission or any Commissioner designated by him for that purpose may serve temporarily on such division until the Commission otherwise orders.

"(2) The Commission may by order direct that any of its work, business, or functions under any provision of law (except matters required to be referred to joint boards by sec. 205), or any matter which has been or may be referred to it by Congress or by either branch thereof, be assigned or referred to any division, to an individual Commissioner, or to an examiner or a board composed of examiners of the Commission, for action thereon, and may by order at any time amend, modify, supplement, or rescind any such assignment or reference. The assignment or reference, to divisions, of work, business, or functions relating to rates, fares, or charges shall be made according to the character of regulation to be exercised and not according to the kind or class of the carriers involved or to the form or mode of transportation in which such carriers may be engaged. When any individual Commissioner, or any examiner, is unable to act upon any matter so assigned or referred because of absence or other cause, the Chairman of the Commission may designate another Commissioner or examiner, as the case may be, to serve temporarily until the Commission otherwise orders.

"(3) The Commission shall conduct its proceedings under any provision of law in such manner as will best conduce to the proper dispatch of business and to the ends of justice. The Commission shall have an official seal, which shall be judicially noticed. Any member of the Commission or examiner may administer oaths and affirmations, and any member of the Commission (or any examiner in connection with the performance of any work, business, or functions referred under this section to him or to a board upon which he serves) may sign subpenas. A majority of the Commission, of a division, or of a board of examiners shall constitute a quorum for the transaction of business. The Commission may, from time to time, make or amend such general rules or orders as may be requisite for the order and regulation of proceedings before it, or before any division, individual Commissioner, examiner, or board of examiners, including forms of notices and the service thereof, which shall conform, as nearly as may be, to those in use in the courts of the United States. Any party may appear before the Commission or any division, individual Commissioner, examiner, or board of examiners and be heard in person or by attorney. Every vote and official act of the Commission, or of any division, individual Commissioner, examiner, or board of examiners, shall be entered of record, and such record shall be made public upon the request of any party interested. All hearings before the Commission, a division, individual Commissioner, examiner, or board of examiners shall be public upon the request of any party interested. No Commissioner or examiner shall participate in any hearing or proceeding in which he has any pecuniary interest.

"(4) A division, an individual Commissioner, an examiner, or a board of examiners shall have authority to hear and determine, order, certify, report, or otherwise act as to any work, business, or functions assigned or referred thereto under the provisions of this section, and with respect thereto shall have all the jurisdiction and powers conferred by law upon the Commission, and be subject to the same duties and obligations. Except as otherwise provided in this section, any order, decision, requirement, or other action of a division, an individual Commissioner, or an examiner or board of examiners, with respect to any matter so assigned or referred, shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made or taken by the Commission. Any finding, report, or requirement of an individual Commissioner, examiner, or board of examiners, with respect to any matter so assigned or referred as to which a hearing is held, shall be accompanied by a statement in writing of the reasons therefor, together with a recommended order, which shall be filed with the Commission. Copies thereof shall be served upon interested parties (including, in proceedings under part II, persons specified in sec. 205 (e)), who may file exceptions thereto, but if no exceptions are filed within 20 days after service upon such persons, or within such further period as the Commission may authorize, such recommended order shall become the order of the Commission and become effective unless within such period the order is stayed or postponed by the Commission. The Commission upon its own motion may, and where exceptions are filed it shall, reconsider the matter either upon the same record or after further hearing, and such recommended order shall thereupon be stayed or postponed pending final determination thereof.

"(5) After a decision, order, or requirement has been made by the Commission, a division, an individual Commissioner, an examiner, or a board of examiners, or after an order recommended by an individual Commissioner, an examiner, or a board of examiners has become the order of the Commission as provided in paragraph (4), any party thereto may at any time, subject to such limitations as may be established by the general rules or orders of the Commission, make application for rehearing of the same, or of any matter determined therein. Applications for rehearing shall be governed by such general rules as the Commission may establish. No such application shall excuse any person from complying with or obeying any such decision, order, or requirement or operate in any manner to stay or postpone the enforcement thereof, except as otherwise provided in this section, without the special order of the Commission. Any application for rehearing of a decision, order, or requirement of a division shall be considered and acted upon by the Commission or referred to an appropriate division for consideration and action; but the Commission may, from time to time, make or amend general rules or orders establishing limitations upon the right to rehearing of a decision, order, or requirement of the Commission or of a division so as to confine such right to proceedings, or classes of proceedings, involving issues of general transportation importance. Such rehearing may be granted if sufficient reason therefor be made to appear. Any application for rehearing or reconsideration of a matter assigned or referred to an individual Commissioner, examiner, or a board of examiners, under the provisions of paragraph (2), if such application is filed within 20 days after the recommended order in the proceeding has become the order of the Commission as provided in paragraph (4), and if such matter shall not have been reconsidered or reheard as

provided in such paragraph, shall be referred to an appropriate division of the Commission and such division shall reconsider the matter either upon the same record or after a further hearing. If the application is made after the expiration of such period, the Commission or division may reconsider the matter as aforesaid if good cause appears therefor. In either case the order shall be stayed or postponed pending denial of the application, or, if allowed, pending the final determination of the matter. If after reconsideration (or after further hearing and the consideration of all facts, including those arising since the former hearing) it shall appear that the original decision, order, or requirement is in any respect unjust or unwarranted, the Commission or division may reverse, change, or modify the same accordingly. Any decision, order, or requirement made after reconsideration or rehearing, reversing, changing, or modifying the original determination shall be subject to the same provisions as an original order.

"(6) Representatives of employees of a carrier, duly designated as such, may intervene and be heard in any proceeding arising under this part affecting such employees."

Mr. KITCHENS. Mr. Chairman, I offer an amendment to section 13.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 222, line 19, after the word "and", strike out the word "not."

Mr. KITCHENS. Mr. Chairman, the Interstate Commerce Commission is divided up into divisions so as to take care of truck transportation and railroad transportation, but this bill specifically prevents the creation of a division in the Interstate Commerce Commission for the consideration of matters pertaining to water transportation.

Section 13, page 222, of the bill would require the same division of the Commission which regulates the rates and charges of railroads to regulate also the rates and charges of both common and contract water carriers. The conditions of transportation and the various factors necessary to determine proper charges for water carriers, and particularly contract water carriers, are so totally different from those pertaining to railroad transportation that the law should provide for the Commission to set up a special division to deal with the water carriers in order that they might better acquaint themselves with the problems of this type of transportation.

This is what the Commission did in 1935, when the Motor Carrier Act was enacted. It would have been physically impossible for them to have established regulatory service as well as they have if they had been required to mix all of the motor carrier matters up with those relating to rail carriers.

Furthermore, the declaration of policy in section 1 of the bill declares that regulation shall be so administered "as to recognize and preserve the inherent advantages of each" mode of transportation.

Section 320 provides that the officers and employees of the Maritime Commission engaged in administering the regulatory provisions of water transportation shall be transferred without reduction in classification or compensation to the Interstate Commerce Commission. This staff should certainly be under the direction of some division which is equipped to deal specially with problems of water transportation. At present there is no member of the Interstate Commerce Commission who has had experience in dealing with water transportation.

My amendment will authorize the Interstate Commerce Commission to select a committee or a division. Someone has said that some of those fostering this bill are railroad conscious or railroad minded. I cannot understand why they do not want a division of the Interstate Commerce Commission to consider water transportation. It may be the water transportation is so insignificant that it will not be deemed worthy of it, but it appears to me it is so important that if you are going to have a division of the Interstate Commerce Commission for the consideration of matters pertaining to motor carriers and also a division pertaining to railroad carriers, the Commission should be authorized at least to create a division for the consideration of matters pertaining to water carriers, but this act prevents it.

I have asked to amend the bill by striking out the word "not," which will enable a division to be established in the Interstate Commerce Commission for the consideration of matters pertaining to water carriers.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

The committee deliberately placed this language in the bill as it is, and we have what we think is a good reason for doing it. The committee is aware of the fact that this provision proposes that the Interstate Commerce Commission shall have jurisdiction over the fixing of rates of motors, water, and rail. We thought it desirable not to have special groups acting upon any one of these subjects, but, on the contrary, provide that every division should have jurisdiction to take care of either water, rail, or motor-vehicle cases. We would not have the Commission a group of little separate commissions, one over water, one over motors, and one over rails, each one, perhaps, developing an antagonism or jealousy to the other.

So in order that in the administration of the Interstate Commerce Commission we may have a Commission giving equal rights and recognition to all these activities, we have placed this language in the bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from Kentucky.

Mr. MAY. In other words, you provide a centralized agency for the control of all transportation facilities instead of having a lot of separate bureaus, which is something we have been trying to get away from in these reorganization bills.

Mr. LEA. Yes; we want them all treated alike. We do not want to specialize with one set of men working contrary to others. I believe it is a wholesome change in the set-up of the activities of the Interstate Commerce Commission.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

The question was taken and the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

SHORT TITLE FOR PART I

SEC. 14. Section 27 of the Interstate Commerce Act, as amended, is amended to read as follows:

"SEC. 27. This part may be cited as part I of the Interstate Commerce Act."

SHORT TITLE FOR PART II

SEC. 15. Section 201 of the Interstate Commerce Act, as amended, is amended to read as follows:

"SHORT TITLE

"SEC. 201. This part may be cited as part II of the Interstate Commerce Act."

REFERENCES TO POLICY DECLARED IN PART II

SEC. 16. Part II of the Interstate Commerce Act, as amended, is amended by striking out the following wherever appearing therein: "the policy declared in section 202 (a) of this part", and "the policy of Congress enunciated in section 202", and by inserting in lieu thereof the following: "the national transportation policy declared in this act", and by striking out in subsection (b) of section 218 the words "said section" and inserting in lieu thereof the words "this act."

REPEAL OF DECLARATION OF POLICY IN PART II

SEC. 17. Section 202 of the Interstate Commerce Act, as amended, is amended—

(1) by striking out the heading thereof, "Declaration of policy and delegation of jurisdiction", and inserting in lieu thereof a new heading as follows: "Application of provisions"; and

(2) by repealing subsection (a) of such section, by striking out "(b)" and inserting in lieu thereof "(a)", and by striking out "(c)" and inserting in lieu thereof "(b)."

AMENDMENTS TO SECTION 203

SEC. 18. Paragraphs (14) and (15) of section 203 of the Interstate Commerce Act, as amended, are amended to read as follows:

"(14) The term 'common carrier by motor vehicle' means any person which holds itself out to the general public to engage in the transportation by motor vehicle in interstate or foreign commerce of passengers or property or any class or classes thereof for compensation, whether over regular or irregular routes, except—

"(a) transportation by motor vehicle by an express company to the extent that such transportation has heretofore been subject to part I, to which extent such transportation shall continue to

be considered to be and shall be regulated as transportation subject to part I, and

"(b) transportation by motor vehicle by a carrier by railroad subject to part I or by a common carrier by water subject to part III, incidental to transportation subject to such parts, in the performance within terminal areas of transfer, collection, or delivery services, which shall be considered to be transportation subject to part I when performed by such carrier by railroad, and transportation subject to part III when performed by such carrier by water.

"The performance within terminal areas of transfer, collection, or delivery services, by motor vehicle, by any person (whether as agent or under a contractual arrangement) for a common carrier by railroad subject to part I, an express company subject to part I, a common carrier by motor vehicle subject to this part, or a common carrier by water subject to part III, shall not be considered to be transportation by such person within the meaning of this paragraph; but such services shall, for the purposes of this act, be considered to be performed by such common carrier or express company as part of, and shall be regulated in the same manner as the transportation by railroads, express, motor vehicle, or water to which such services are incidental.

"(15) The term 'contract carrier by motor vehicle' means any person which, under individual contracts or agreements, engages in the transportation (other than transportation referred to in paragraph (14) and the exceptions therein) by motor vehicle of passengers or property in interstate or foreign commerce for compensation, except transportation by motor vehicle by a contract carrier by water subject to part III, incidental to transportation subject to such part, in the performance within terminal areas of transfer, collection, or delivery services, which shall be considered to be transportation subject to part III.

"The performance within terminal areas of transfer, collection, or delivery services, by motor vehicle, by any person (whether as agent or under a contractual arrangement) for a common carrier by railroad subject to part I, an express company subject to part I, a common carrier by motor vehicle subject to this part, or a common carrier by water subject to part III, shall not be considered to be transportation by such person within the meaning of this paragraph; but such services shall, for the purposes of this act, be considered to be performed by such common carrier or express company as part of, and shall be regulated in the same manner as, the transportation by railroad, express, motor vehicle, or water to which such services are incidental."

Mr. LEA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. LEA:
Page 229, line 4, after the word "of" insert the following: "subsection (a) of".

Mr. LEA. Mr. Chairman, the object of this amendment is to correct a clerical error.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Under date of July 17, 1939, a letter was sent by Mr. E. A. O'Neal, president of the American Farm Bureau Federation, to Members of Congress, endorsing the principles of the Transportation Act, S. 2009, as passed by the Senate. In the letter there is quoted as the basis of approval of the principles of that proposed legislation in full a resolution adopted by the American Farm Bureau Federation at its annual meeting in New Orleans in December 1938.

The endorsement in principle of the proposed transportation legislation is, therefore, not action by the executive committee of the bureau but by the full convention of that federation, where were assembled representatives of farm bureaus from all parts of the country. It constitutes an approval not alone by the president and not alone by the executive committee, but by the constituent membership of that great agricultural association. Any suggestion, therefore, by anyone, for the purpose of casting doubt upon the position taken by this great farm organization is, therefore, without foundation. The basis of the action is the resolution adopted in open convention at the annual meeting of the American Farm Bureau Federation last year.

Mr. O'Neal needs no defense either in this body, where his long and effective battle for the American farmer is so well known. His statement to Members of Congress follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 17, 1939.

To the House of Representatives:

There is transmitted herewith a statement of the executive committee of the American Farm Bureau Federation on the bill entitled "The Transportation Act of 1939." It is hoped the principles and recommendations embodied in the statement may be covered by the proposed legislation.

Respectfully yours,

EDWARD A. O'NEAL, *President.*

STATEMENT OF THE EXECUTIVE COMMITTEE OF THE AMERICAN FARM BUREAU FEDERATION ON THE TRANSPORTATION ACT OF 1939

The representative delegate body of the American Farm Bureau Federation, at its annual meeting in 1938, recognized the acute problems of the railroads and, after the most careful consideration, adopted the following resolution:

"American farmers are vitally interested in the maintenance of a highly efficient transportation system. We reaffirm the comprehensive resolution on transportation adopted at the annual meeting in 1936.

"We recognize that American railroads constitute an essential transportation agency and believe their continued operation under private ownership will best assure the highest degree of efficient and improved service to the public.

"Rules and regulations causing enforced costs entering railroad operations and transportation rates of the railroads should be adjusted to the extent necessary under efficient operations to permit improvement of services and a reasonable return on prudent investment.

"On the other hand, the railroads must continue under such reasonable regulation as will assure the public fair and reasonable rates and adequate service; but the underlying purposes of such regulation should be to foster and encourage, rather than to restrict, sound and orderly development and operation of an efficient and economical railroad system. Reasonable freedom and flexibility should be left to railroad management in fixing rates and in exploring all avenues to economy, including consolidation and elimination, all improvements in service, and every advancement in methods."

The American Farm Bureau Federation recognizes that if the Nation is to avoid Government ownership and operation of railroads, certain changes in present national policies providing for their regulation must be made. The provisions of the Transportation Act of 1939 as passed by a very substantial majority in the Senate, appears to be directed to this end and, in general, seems to be in accord with the policy pronouncement of our organization.

This act is in large part a codification of the Interstate Commerce Act, originally enacted into law more than 40 years ago and passed in a period when railroads virtually had a monopoly upon transportation. Such a monopolistic position does not now exist. Motor vehicles, improved waterways, pipe lines, and air transports are now aggressive competitors of rails and will, with limited and reasonable regulation, competitively keep in line, in the national interest, the railroads.

The act appears to preserve to the different types of transportation subjected to regulation the natural and inherent advantages of the respective types and this protection of their natural interests, should be maintained to the full extent that such natural advantage is reflected to the shipper. Some greater freedom and flexibility of action on the part of the railroads seems to be recognized in the proposed act. This is commendable but it is believed could be extended so as to afford greater initiative and determination by the railroads without adversely affecting public interest.

It is believed that possibilities along these lines for the relief of the railroads should be explored more fully and greater stress placed thereon. In the event of the passage of the act, substantially in its present form, it should specifically direct the Board of Research and Investigation, provided for in the act, to give its immediate attention to the possibilities of giving greater freedom of action to the railroads in solving their competitive problems and require such Board to report with recommendations to the next session of the Congress.

The Clerk read as follows:

EXEMPTION OF CERTAIN INTERSTATE AND FOREIGN COMMERCE OPERATIONS OF MOTOR CARRIERS

SEC. 19. Section 204 (a) of the Interstate Commerce Act, as amended, is amended by adding after subparagraph (4) thereof the following new subparagraph:

"(4a) To determine, upon its own motion, or upon application by a motor carrier, a State board, or any other party in interest, whether the transportation in interstate or foreign commerce performed by any motor carrier or group of motor carriers lawfully engaged in operation solely within a single State is in fact of such nature, character, or quantity as not substantially to affect or impair uniform regulation by the Commission of transportation by motor carriers engaged in interstate or foreign commerce in effectuating the national transportation policy declared in this act. Upon so finding, the Commission shall issue a certificate of exemption to such motor carrier or group thereof which, during the period such certificate shall remain effective and unrevoked, shall exempt such carrier or group thereof from compliance with such of the provisions of this part as shall be designated in such certificate, and shall attach to such certificate such reasonable terms, conditions, and limitations as the public interest may require. At any time after the issuance of any such certificate of exemption, the Commission may by order revoke all or any part thereof, if it shall

find that the transportation in interstate or foreign commerce performed by the carrier or group of carriers designated in such certificate shall be, or shall have become, or is reasonably likely to become, of such nature, character, or quantity as in fact substantially to affect or impair uniform regulation by the Commission of interstate or foreign transportation by motor carriers in effectuating the national policy declared in this act. Upon revocation of any such certificate, the Commission shall restore to the carrier or carriers affected thereby, without further proceedings, the authority, if any, to operate in interstate or foreign commerce held by such carrier or carriers at the time the certificate of exemption pertaining to such carrier or carriers became effective. No certificate of exemption shall be denied, and no order of revocation shall be issued, under this subparagraph, except after reasonable opportunity for hearing to interested parties. The filing of an application for the exemption of a motor carrier under this subparagraph, accompanied by a certificate of the State board of the State in which the operations of such carrier are carried on stating that in the opinion of such board such carrier is entitled to a certificate of exemption under this subparagraph, shall exempt such carrier from the provisions of this part until final disposition has been made of such application."

AMENDMENTS TO SECTIONS 204 AND 205

SEC. 20. (a) Section 204 of the Interstate Commerce Act, as amended, is further amended—

(1) by repealing subsection (e) thereof; and

(2) by striking out "(f)" and inserting in lieu thereof "(e)."

(b) Section 205 of the Interstate Commerce Act, as amended, is amended—

(1) by repealing subsection (a) thereof;

(2) by striking out in the remaining paragraphs thereof the letters "(b)", "(c)", "(d)", "(e)", "(f)", "(g)", "(h)", "(i)", "(j)", and "(k)", and inserting in lieu thereof "(a)", "(b)", "(c)", "(d)", "(e)", "(f)", "(g)", "(h)", "(i)", and "(j)".

(3) by striking out in the relettered paragraph (a) thereof the words "paragraph (a) of this section" in the first proviso and substituting in lieu thereof the following: "section 17";

(4) by striking out in the relettered paragraph (a) thereof the words "this section" in the third proviso and substituting in lieu thereof the following: "section 17";

(5) by striking out in the relettered paragraph (b) thereof the words "paragraph (a) of this section" in the second sentence and substituting in lieu thereof the following: "section 17";

AMENDMENTS RELATING TO POWER OF COMMISSION TO LIMIT SCOPE OF MOTOR CARRIER OPERATIONS

SEC. 21. (a) Subsection (a) of section 208 of the Interstate Commerce Act, as amended, is amended by inserting before the period at the end thereof a colon and the following: *"Provided further,* That the Commission shall not impose any terms, conditions, or limitations which shall have the effect of preventing a carrier entitled to a certificate under the first proviso of section 206 (a) authorizing it to engage in transportation of property either in whole or in part over irregular routes or within a territory, from transporting any commodity or class of commodities transported by it on or prior to June 1, 1935, or from engaging in the transportation thereof from or to any point to or from which it transported such commodity or class of commodities on or prior to said date."

(b) Subsection (b) of section 209 of such act, as amended, is amended by inserting before the period at the end thereof a colon and the following: *"Provided further,* That the Commission shall not impose any terms, conditions, or limitations which shall have the effect of preventing a carrier entitled to a permit under the first proviso of subsection (a) from transporting any commodity or class of commodities transported by it on or prior to July 1, 1935, or from engaging in the transportation thereof from or to any point to or from which it transported such commodity or class of commodities on or prior to said date."

REPEAL OF MOTOR CARRIER PROVISIONS RELATING TO CONSOLIDATIONS, MERGERS, AND ACQUISITIONS OF CONTROL

SEC. 22. Section 213 of the Interstate Commerce Act, as amended, is hereby repealed.

NEW SECTION ADDED TO PART II

SEC. 23. Part II of the Interstate Commerce Act, as amended, is amended by adding after section 212 the following new section:

"ALLOWANCES TO SHIPPERS FOR TRANSPORTATION SERVICES

"SEC. 213. If the owner of property transported under this part directly or indirectly renders any service connected with such transportation, or furnishes any instrumentality used therein, the charge and allowance therefor shall be no more than is just and reasonable, and the Commission may, after hearing on a complaint or on its own initiative, determine what is a reasonable charge as the maximum to be paid by the carrier or carriers for the services so rendered or for the use of the instrumentality so furnished, and fix the same by appropriate order."

PUBLICATION OF INFORMATION CONTAINED IN CONTRACTS

SEC. 24. Subsection (a) of section 218 of the Interstate Commerce Act, as amended, is amended—

(1) by striking out in the first sentence the words "or, in the discretion of the Commission, copies of contracts";

(2) by adding after the words "such carrier" in the first sentence the words "actually maintained and charged"; and

(3) by adding immediately following the first sentence the following: "The Commission, in its discretion, may require any such carrier to file with it, in lieu of such schedules, copies of contracts containing the minimum charges of such carrier for such service and any rule, regulation, or practices affecting such charges and the value of the service; such carrier shall not be required to publish and keep open for public inspection copies of contracts so filed but the minimum rates or charges contained therein for transportation of commodities, or classes thereof, or for specified services, may be made public by the Commission. The names of the person or persons for whom property is transported under such contracts and other terms thereof shall not be made public by the Commission, except that the Commission may make the contract, or any part thereof, available as a part of the record in a formal proceeding where it considers such action consistent with the public interest."

INVESTIGATION OF NEED FOR REGULATING SIZES AND WEIGHT OF MOTOR VEHICLES

SEC. 25. The Interstate Commerce Commission is authorized and directed to expedite the investigation of the need for Federal regulation of the sizes and weight of motor vehicles, authorized by section 225 of the Interstate Commerce Act, as amended, and to report to Congress thereon at the earliest practicable date.

REPEAL OF SECTION 3 (E) OF INLAND WATERWAYS CORPORATION ACT

SEC. 26. (a) Subsection (e) of section 3 of the Inland Waterways Corporation Act of June 7, 1924, as amended (U. S. C., title 49, sec. 153 (e)), is hereby repealed as of January 1, 1940.

(b) Notwithstanding the provisions of subsection (a) of this section—

(1) Any certificate of public convenience and necessity granted to any carrier pursuant to the provisions of such subsection (e) shall continue in effect as though issued under the provisions of section 309 of the Interstate Commerce Act, as amended.

(2) Through routes and joint rates and rules, regulations, and practices relating thereto, put into effect pursuant to the provisions of such subsection (e) shall, after the repeal of such subsection (e), be held and considered to have been put into effect pursuant to the provisions of the Interstate Commerce Act, as amended.

Mr. WARREN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WARREN. Mr. Chairman, we have now come to title II, part 3, of this bill, which extends from page 238 to 289. After a casual examination of the numbering of this part, I have come to the conclusion that instead of many sections, title II, part 3, is in fact only one section. Will the Chair inform us now on that phase of it.

The CHAIRMAN. The Chair understands that there are two sections. One section extends from page 238 over to line 21, page 288. There is a separate section beginning on line 22, on page 288, at the bottom of the page and extending down to and including line 7, page 289.

Mr. WARREN. Mr. Chairman, in view of that expression by the Chair, if it is agreeable to the gentleman from California [Mr. LEA], I ask unanimous consent that the reading of that title, which is section 322, page 288, be dispensed with and that it be printed in the RECORD.

Mr. LEA. I would be very glad to have that course taken, Mr. Chairman.

The CHAIRMAN. Why not include the entire part.

Mr. WARREN. Very well, I so amend my unanimous-consent request.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that the reading of part 3, beginning on page 238 and ending on line 17, page 289, be dispensed with, and that amendments be in order at any point in the section? Is there objection?

Mr. WADSWORTH. Mr. Chairman, I reserve the right to object, to ask the chairman of the committee whether he proposes to offer some committee amendments and whether he will offer them first?

Mr. LEA. We have no committee amendments to offer to this portion.

The CHAIRMAN. Is there objection?

There was no objection.

The title referred to is as follows:

TITLE II—REGULATION OF WATER CARRIERS IN INTERSTATE AND FOREIGN COMMERCE

PART III OF INTERSTATE COMMERCE ACT

SEC. 201. The Interstate Commerce Act, as amended, is further amended by adding after part II thereof the following part III:

"PART III

"SHORT TITLE

"SEC. 301. This part, divided into sections according to the following table of contents, may be cited as part III of the Interstate Commerce Act:

"TABLE OF CONTENTS

"SEC. 301. Short title.
"SEC. 302. Definitions.
"SEC. 303. Application of provisions, and exemptions.
"SEC. 304. General powers and duties of the Commission.
"SEC. 305. Rates, fares, charges, and practices; through routes.
"SEC. 306. Tariffs and schedules.
"SEC. 307. Commission's authority over rates, and so forth.
"SEC. 308. Reparation awards; limitation of actions.
"SEC. 309. Certificates of public convenience and necessity and permits.
"SEC. 310. Dual operation under certificates and permits.
"SEC. 311. Temporary operations.
"SEC. 312. Transfer of certificates and permits.
"SEC. 313. Accounts, records, and reports.
"SEC. 314. Allowances to shippers for transportation services.
"SEC. 315. Notices, orders, and service of process.
"SEC. 316. Enforcement and procedure.
"SEC. 317. Unlawful acts and penalties.
"SEC. 318. Collection of rates and charges.
"SEC. 319. Employees.
"SEC. 320. Repeals; transfer of employees, records, property, and and appropriations.
"SEC. 321. Existing orders, rules, tariffs, and so forth; pending matters.
"SEC. 322. Separability of provisions.

"DEFINITIONS

"SEC. 302. For the purposes of this part—

"(a) The term 'person' includes any individual, firm, copartnership, corporation, company, association, joint-stock association, and any trustee, receiver, assignee, or personal representative thereof.

"(b) The term 'Commission' means the Interstate Commerce Commission.

"(c) The term 'water carrier' means a common carrier by water or a contract carrier by water.

"(d) The term 'common carrier by water' means any person which holds itself out to the general public to engage in the transportation by water in interstate or foreign commerce of passengers or property or any class or classes thereof for compensation, except transportation by water by a carrier by railroad subject to part I or by a common carrier by motor vehicle subject to part II, incidental to transportation subject to such parts, in the performance within terminal areas of transfer, collection, or delivery services, or in the performance of floatage, lighterage, or towage, which shall be considered to be transportation subject to part I when performed by such carrier by railroad, and transportation subject to part II when performed by such common carrier by motor vehicle.

The performance within terminal areas of transfer, collection, or delivery services, by water, by any person (whether as agent or under a contractual arrangement) for a common carrier by railroad subject to part I, an express company subject to part I, a common carrier by motor vehicle subject to part II, or a common carrier by water subject to this part, shall not be considered to be transportation by such person within the meaning of this paragraph; but such services shall, for the purposes of this act, be considered to be performed by such common carrier or express company as part of, and shall be regulated in the same manner as, the transportation by railroad, express, motor vehicle, or water to which such services are incidental.

"(e) The term 'contract carrier by water' means any person which, under individual contracts or agreements, engages in the transportation (other than transportation referred to in paragraph (d) and the exceptions therein) by water of passengers or property in interstate or foreign commerce for compensation, except transportation by water by a contract carrier by motor vehicle subject to part II, incidental to transportation subject to such part, in the performance within terminal areas of transfer, collection, or delivery services, or in the performance of floatage, lighterage, or towage, which shall be considered to be transportation subject to part II.

For the purposes of this paragraph a person which, under a charter, lease, or other agreement, furnishes a vessel to another person, for compensation, for use in the transportation of property of such other person, shall itself be considered to be engaged in the transportation of such property as a contract carrier by water. The performance within terminal areas of transfer, collection, or delivery services, by water, by any person (whether as agent or under a contractual arrangement) for a common carrier by railroad subject to part I, an express company subject to part I, a common carrier by motor vehicle subject to part II, or a common carrier by water subject to this part, shall not be considered to be transportation by such person within the meaning of this paragraph; but such services shall, for the purposes of this act, be considered to be performed by such common carrier or express company as part of, and shall be regulated in the same manner as, the transportation by railroad, express, motor vehicle, or water to which such services are incidental.

"(f) The term 'vessel' means any water craft or other artificial contrivance of whatever description which is used, or is capable of being, or is intended to be, used as a means of transportation by water.

"(g) The term 'transportation facility' includes any vessel, warehouse, wharf, pier, dock, yard, grounds, or any other instrumentality or equipment of any kind, used in or in connection with transportation.

"(h) The term 'transportation' includes the use of any transportation facility (irrespective of ownership or of any contract, express or implied, for such use), and includes any and all services in or in connection with transportation, including the receipt, delivery, elevation, transfer in transit, refrigeration or icing, ventilation, storage, and handling of property transported or the interchange thereof with any other agency of transportation.

"(i) The term 'interstate or foreign transportation' or 'transportation in interstate or foreign commerce,' as used in this part, means transportation of persons or property—

"(1) wholly by water from a place in a State to a place in any other State, whether or not such transportation takes place wholly in the United States;

"(2) partly by water and partly by railroad or motor vehicle, from a place in a State to a place in any other State; except that with respect to such transportation taking place partly in the United States and partly outside thereof, such terms shall include transportation by railroad or motor vehicle only insofar as it takes place within the United States, and shall include transportation by water only insofar as it takes place from a place in the United States to another place in the United States;

"(3) wholly by water, or partly by water and partly by railroad or motor vehicle, from or to a place in the United States to or from a place outside the United States, but only (A) insofar as such transportation by rail or by motor vehicle takes place within the United States, and (B) in the case of a movement to a place outside the United States, only insofar as such transportation by water takes place from any place in the United States to any other place therein prior to transshipment at a place within the United States for movement to a place outside thereof, and, in the case of a movement from a place outside the United States, only insofar as such transportation by water takes place from any place in the United States to any other place therein after transshipment at a place within the United States in a movement from a place outside thereof.

"(j) The term 'United States' means the States of the United States and the District of Columbia.

"(k) The term 'State' means a State of the United States or the District of Columbia.

"(l) The term 'common carrier by railroad' means a common carrier by railroad subject to the provisions of part I.

"(m) The term 'common carrier by motor vehicle' means a common carrier by motor vehicle subject to the provisions of part II.

"APPLICATION OF PROVISIONS; EXEMPTIONS

"SEC. 303. (a) In the case of transportation which is subject both to this part and part I, the provisions of part I shall apply only to the extent that part I imposes, with respect to such transportation, requirements not imposed by the provisions of this part.

"(b) Nothing in this part shall apply to the transportation by a contract carrier by water of commodities in bulk in a vessel the cargo space of which is used for the carrying of not more than three such commodities at any given time. This subsection shall apply only in the case of commodities in bulk which are (in accordance with the existing custom of the trade in handling and transportation of such commodities as of June 1, 1939) loaded and carried without wrappers or containers and received and delivered by the carrier without mark or count. For the purposes of this subsection two or more vessels while navigated as a unit shall be considered to be a single vessel. This subsection shall not apply to transportation subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended.

"(c) Nothing in this part shall apply to transportation by a contract carrier by water of commodities in bulk in a non-oceangoing vessel on a normal voyage during which (1) the cargo space of such vessel is used for the carrying of not more than three such commodities, and (2) such vessel passes within or through waters which are made international for navigation purposes by any treaty to which the United States is a party.

"(d) Nothing in this part shall apply to the transportation by water of liquid cargoes in bulk in tank vessels designed for use exclusively in such service and certified under regulations approved by the Secretary of Commerce pursuant to the provisions of section 4417a of the Revised Statutes (U. S. C., 1934 ed., Supp. IV, title 46, sec. 391a).

"(e) It is hereby declared to be the policy of Congress to exclude from the provisions of this part, in addition to the transportation otherwise excluded under this section, transportation by contract carriers by water which, by reason of the inherent nature of the commodities transported, their requirement of special equipment, or their shipment in bulk, is not actually and substantially competitive with transportation by any common carrier subject to this part or part I or part II. Upon application of a carrier, made in such manner and form as the Commission may by regulations prescribe, the Commission shall, subject to such reasonable conditions and limitations as the Commission may prescribe, by order exempt from the provisions of this part such of the transportation

engaged in by such carrier as it finds necessary to carry out the policy above declared. A carrier (other than a carrier subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended) making such application prior to October 1, 1939, shall be exempt from the provisions of this part until a final determination has been made upon such application if such carrier or a predecessor in interest was in bona fide operation as a contract carrier by water on June 1, 1939, over the route or routes or in the trade or trades with respect to which application is made and has so operated since that time (or, if engaged in furnishing seasonal service only, was in bona fide operation during the seasonal period, prior to or including such date, for operations of the character in question) except, in either event, for interruptions of service over which such carrier or its predecessor in interest had no control.

"(f) Nothing in this part shall be construed to affect any law of navigation, the admiralty jurisdiction of the courts of the United States, liabilities of vessels and their owners for loss or damage, or laws respecting seamen, or any other statute or maritime law, regulation, or custom not in conflict with the provisions of this part.

"(g) Except to the extent that the Commission shall from time to time find, and by order declare, that such application is necessary to carry out the national transportation policy declared in this act, the provisions of this part shall not apply (1) to transportation in interstate commerce by water solely within the limits of a single harbor or between places in contiguous harbors, when such transportation is not a part of a continuous through movement under a common control, management, or arrangement to or from a place without the limits of any such harbor or harbors, or (2) to transportation by ferry, or by small craft of not more than 50 tons carrying capacity, or to vessels carrying passengers only and equipped to carry no more than 16 passengers.

"(h) The Commission shall have the power to determine, upon its own motion or upon application of any party in interest, whether any water carrier is engaged solely in transporting the property of a person which owns all or substantially all of the voting stock of such carrier. Upon so finding the Commission shall issue a certificate of exemption to such carrier, and such carrier shall not be subject to the provisions of this part during the period such certificate shall remain in effect. At any time after the issuance of such certificate the Commission may by order revoke such certificate if it finds that such carrier is no longer entitled to the exemption under the foregoing provisions of this subsection. Upon revocation of any such certificate the Commission shall restore to such carrier, without further proceedings, the authority, if any, to engage in transportation subject to the provisions of this part held by such carrier at the time the certificate of exemption pertaining to such carrier became effective. No certificate of exemption shall be denied and no order of revocation shall be issued, under this subsection, except after reasonable opportunity for hearing.

"(i) In the application of the provisions of this part to any carrier owned or controlled by the United States, no different policy, rule of rate making, system of accounting, or method of determining costs of service, value of property, or rate of return shall be applied than is applied in the case of carriers not so owned or controlled.

"(j) Nothing in this part shall be construed to interfere with the exclusive exercise by each State of the power to regulate intrastate commerce by water carriers within the jurisdiction of such State.

"(k) Nothing in this part shall authorize the Commission to prescribe or regulate any rate, fare, or charge for intrastate transportation, or for any service connected therewith, for the purpose of removing discrimination against interstate commerce or for any other purpose.

"GENERAL POWERS AND DUTIES OF THE COMMISSION

"SEC. 304. (a) It shall be the duty of the Commission to administer the provisions of this part, and to that end the Commission shall have authority to make and amend such general or special rules and regulations and to issue such orders as may be necessary to carry out such provisions.

"(b) The Commission shall have authority, for purposes of the administration of the provisions of this part, to inquire into and report on the organization of water carriers and the management of their business, and to keep itself informed as to the manner and method in which the same is conducted, and to transmit to Congress, from time to time, such recommendations as the Commission may deem necessary.

"(c) The Commission may establish from time to time such just and reasonable classifications of groups of carriers included in the terms 'common carrier by water', or 'contract carrier by water', as the special nature of the services performed by such carriers shall require; and such just and reasonable rules, regulations, and requirements consistent with the provisions of this part to be observed by the carriers so classified or grouped, as the Commission, after hearing, finds necessary or desirable in the public interest.

"(d) Whenever it shall appear from complaint made to the Commission or otherwise that the rates, fares, regulations, or practices of persons engaged in transportation by water to or from a port or ports of any foreign country in competition with common carriers by water or contract carriers by water, cause undue disadvantage to such carriers by reason of such competition, the Commission may relieve such carriers from the provisions of this part to such extent, and for such time, and in such manner as in its judgment may be necessary to avoid or lessen such undue disadvantage, consistently with the public interest and the national transportation policy declared in this act.

"(e) Upon complaint in writing to the Commission by any person, or upon its own initiative without complaint, the Commission may investigate whether any water carrier has failed to comply with any provision of this part or with any requirement established pursuant thereto, and if, after notice of and hearing upon any such investigation, the Commission finds that any such carrier has failed to comply with any such provision or requirement, it shall issue an appropriate order to compel such carrier to comply therewith. Whenever the Commission is of opinion that any complaint does not state reasonable grounds for action on its part, it may dismiss such complaint.

"RATES, FARES, CHARGES, AND PRACTICES; THROUGH ROUTES

"SEC. 305. (a) It shall be the duty of every common carrier by water, with respect to transportation subject to this part which it undertakes or holds itself out to perform, or which it is required by or under authority of this part to perform, to provide and furnish such transportation upon reasonable request therefor, to provide safe and adequate service and transportation facilities, and to establish, observe, and enforce just and reasonable rates, fares, charges, and classifications, and just and reasonable regulations and practices, relating thereto and to the issuance, form, and substance of tickets, receipts, bills of lading, and manifests, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with such transportation in interstate or foreign commerce.

"(b) It shall be the duty of common carriers by water to establish, with respect to transportation subject to this act, through routes with other such carriers and with common carriers by railroad, and to provide reasonable facilities for operating such through routes, and to make reasonable rules and regulations with respect to their operation and providing for reasonable compensation to those entitled thereto. Common carriers by water may establish reasonable through routes and rates, charges, and classifications applicable thereto with common carriers by motor vehicle. In the case of joint rates, fares, or charges it shall be the duty of the carriers parties thereto to establish just, reasonable, and equitable divisions thereof, which shall not unduly prefer or prejudice any of such carriers.

"(c) It shall be unlawful for any common carrier by water to make, give, or cause any undue or unreasonable preference or advantage to any person, port, port district, gateway, transit point, locality, or description of traffic in any respect whatsoever, or to subject any person, port, port district, gateway, transit point, locality, or description of traffic to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever: *Provided*, That this subsection shall not be construed to apply to discriminations, prejudice, or disadvantage to the traffic of any other carrier of whatever description.

"(d) All common carriers by water shall, according to their respective powers, afford all reasonable, proper, and equal facilities for the interchange of traffic between their respective lines and connecting lines, and for the receiving, forwarding, and delivering of passengers or property to and from connecting lines; and shall not discriminate in their rates, fares, and charges between connecting lines, or unduly prejudice any connecting line in the distribution of traffic that is not specifically routed by the shipper. As used in this paragraph the term 'connecting line' means the connecting line of any common carrier by water or any common carrier subject to part I.

"TARIFFS AND SCHEDULES

"SEC. 306. (a) Every common carrier by water shall file with the Commission, and print, and keep open to public inspection tariffs showing all rates, fares, charges, classifications, rules, regulations, and practices for the transportation in interstate or foreign commerce of passengers and property between places on its own route, and between such places and places on the route of any other such carrier or on the route of any common carrier by railroad or by motor vehicle, when a through route and joint rate shall have been established. Such tariffs shall plainly state the places between which property or passengers will be carried, the classification of property or passengers and, separately, all terminal charges, or other charges which the Commission shall require to be so stated, all privileges or facilities granted or allowed, and any rules or regulations which in anywise change, affect, or determine any part or the aggregate of such rates, fares, or charges, or the value of the service rendered to the passenger, shipper, or consignee.

"(b) All charges of common carriers by water shall be stated in lawful money of the United States. The Commission shall by regulations prescribe the form and manner in which the tariffs required by this section shall be published, filed, and posted; and the Commission is authorized to reject any tariff filed with it which is not in accordance with this section and with such regulations. Any tariff so rejected by the Commission shall be void and its use shall be unlawful.

"(c) No common carrier by water shall charge or demand or collect or receive a greater or less or different compensation for transportation subject to this part or for any service in connection therewith than the rates, fares, or charges specified for such transportation or such service in the tariffs lawfully in effect; and no such carrier shall refund or remit in any manner or by any device any portion of the rates, fares, or charges so specified, or extend to

any person any privileges or facilities for transportation affecting the value thereof except such as are specified in its tariff: *Provided*, That the provisions of sections 1 (7) and 22 (1) of part I (relating to transportation free and at reduced rates), together with such other provisions of such part (including penalties) as may be necessary for the enforcement of such provisions, shall apply to common carriers by water.

"(d) No change shall be made in any rate, fare, charge, classification, regulation, or practice specified in any effective tariff of a common carrier by water except after 30 days' notice of the proposed change filed and posted in accordance with this section. Such notice shall plainly state the change proposed to be made and the time when such change will take effect. The Commission may, in its discretion and for good cause shown, allow changes upon notice less than that herein specified, or modify the requirements of this section with respect to posting and filing of tariffs, either in particular instances or by general order applicable to special circumstances or conditions.

"(e) It shall be the duty of every contract carrier by water to file with the Commission, post, and keep open for public inspection, in accordance with such rules and regulations as the Commission shall prescribe, schedules of minimum rates or charges actually maintained and charged for interstate and foreign transportation to which it is a party, and any rule, regulation, or practice affecting such charges and the value of the service thereunder. The Commission, in its discretion, may require any such carrier to file with it, in lieu of such schedules, copies (or, if oral, true and complete memoranda) of every contract, charter, agreement, or undertaking containing the charges of such carrier for such transportation and any rule, regulation, or practices affecting such charges and the value of the service. Such carrier shall not be required to publish and keep open for public inspection copies of contracts, charters, agreements, or undertakings so filed, but the rates or charges contained therein with respect to commodities, or classes thereof, or for specified services, may be made public by the Commission. The names of the person or persons for whom property is transported under such contracts, charters, agreements, or undertakings and other terms thereof shall not be made public by the Commission, except that the Commission may make the contract, charter, agreement, or undertaking, or any part thereof, available as a part of the record in a formal proceeding where it considers such action consistent with the public interest. It shall be unlawful for any such carrier to transport passengers or property or to furnish facilities or services in connection therewith for a less compensation, either directly or by means of a change in the terms and conditions of any contract, charter, agreement, or undertaking, than the rates or charges so filed with the Commission: *Provided*, That the Commission, in its discretion and for good cause shown, either upon application of any such carrier or carriers, or any class or group thereof, or upon its own intiative may, after hearing, grant relief from the provisions of this subsection to such extent, and for such time, and in such manner as, in its judgment, is consistent with the public interest and the national transportation policy declared in this act.

"COMMISSION'S AUTHORITY OVER RATES, ETC.

"SEC. 307. (a) Any person may make complaint in writing to the Commission that any individual or joint rate, fare, charge, classification, regulation, or practice of any common carrier by water or any contract carrier by water is or will be in violation of this part. Every complaint shall state fully the facts complained of and the reasons for such complaint and shall be made under oath.

"(b) Whenever, after hearing, upon complaint or in an investigation on its own initiative, the Commission shall be of opinion that any individual or joint rate, fare, or charge demanded, charged, or collected by any common carrier or carriers by water for transportation subject to this part, or any regulation or practice of such carrier or carriers relating to such transportation, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential or prejudicial, or otherwise in violation of any provision of this part, it may determine and prescribe the lawful rate, fare, or charge or the maximum or minimum, or maximum and minimum rate, fare, or charge thereafter to be observed, or the lawful regulation or practice thereafter to be made effective.

"(c) In any proceeding to determine the justness or reasonableness of any rate, fare, or charge of any common carrier by water there shall not be taken into consideration or allowed as evidence or elements of value of the property of such carrier either goodwill, earning power, or the certificate under which such carrier is operating; and in applying for and receiving a certificate under this part any such carrier shall be deemed to have agreed to the provisions of this paragraph on its own behalf and on behalf of all transferees of such certificate.

"(d) The Commission may, and it shall whenever deemed by it to be necessary or desirable in the public interest, after full hearing upon complaint or upon its own initiative without a complaint, establish through routes, joint classifications, and joint rates, fares, or charges, applicable to the transportation of passengers or property by common carriers by water, or by such carriers and carriers by railroad, or the maxima or minima, or maxima and minima, to be charged, and the divisions of such rates, fares, or charges as hereinafter provided, and the terms and conditions under which such through routes shall be operated. In the case of a through route, where one of the carriers is a common carrier by water, the Commission may prescribe such reasonable differentials, if any, as it may find to be justified between all-rail rates and the joint rates in connection with such common carrier by water. The Commission shall not, however, establish any through route, classification, or practice, or any rate, fare, or charge, between street electric passenger railways not engaged in the general business of transporting freight in addition to their passenger and express business, and common carriers by water.

"(e) Whenever, after hearing upon complaint or upon its own initiative, the Commission is of opinion that the divisions of joint rates, fares, or charges, applicable to the transportation of passengers or property by common carriers by water, or by such carriers and common carriers by railroad or by motor vehicle, are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the carriers parties thereto, the Commission shall by order prescribe the just, reasonable, and equitable divisions thereof to be received by the several carriers. The order of the Commission may require the adjustment of divisions between such carriers in accordance with the order, from the date of filing the complaint or entry of order of investigation or such other dates subsequent thereto as the Commission finds justified.

"(f) In the exercise of its power to prescribe just and reasonable rates, fares, charges, classifications, regulations, and practices, the Commission shall give due consideration, among other factors, to the effect of rates upon the movement of traffic; to the need, in the public interest, of adequate and efficient water transportation service at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable water carriers, under honest, economical, and efficient management, to provide such service.

"(g) Whenever there shall be filed with the Commission any schedule (except a schedule referred to in section 321) stating a new rate, fare, charge, classification, regulation, or practice for the interstate or foreign transportation of passengers or property by a common carrier or carriers by water, the Commission may upon protest of interested parties or upon its own initiative at once, and, if it so orders, without answer or other formal pleading by such carrier or carriers, but upon reasonable notice, enter upon an investigation concerning the lawfulness of such rate, fare, charge, classification, regulation, or practice, and pending such hearing and the decision thereon, the Commission, by filing with such schedule and delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may from time to time suspend the operation of such schedule and defer the use of such rate, fare, charge, classification, regulation, or practice, but not for a longer period than 7 months beyond the time when it would otherwise go into effect; and after hearing, whether completed before or after the rate, fare, charge, classification, regulation, or practice goes into effect, the Commission may make such order with reference thereto, as would be proper in a proceeding instituted after such rate, fare, charge, classification, regulation, or practice had become effective. If the proceeding shall not have been concluded and an order made within the period of suspension, the proposed rate, fare, charge, classification, regulation, or practice shall go into effect at the end of such period: *Provided, however*, That this paragraph shall not apply to a schedule referred to in section 321, or to any initial schedule or schedules filed prior to January 1, 1941, by any such carrier (other than a carrier subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended, or the Shipping Act, 1916, as amended).

"(h) Whenever, after hearing, upon complaint or its own initiative, the Commission finds that any rate, charge, rule, regulation, or practice of any contract carrier by water, or the form or provisions of any charter, contract, agreement, or undertaking used by any such carrier, contravenes the national transportation policy declared in this act, the Commission may prescribe such minimum rate or charge, or such rule, regulation, or practice, or such form or provisions of any such charter, contract, agreement, or undertaking as in its judgment may be necessary or desirable in the public interest and to promote such policy. Such minimum rate or charge or such rule, regulation, or practice, or the form, terms, or conditions of any such contract, charter, agreement, or undertaking affecting such minimum charge or the value of the service rendered, so prescribed by the Commission, shall give no advantage or preference to any such contract carrier in competition with any common carrier subject to this part, which the Commission shall find to be undue or inconsistent with the public interest and the national transportation policy declared in this act, and the Commission shall give due consideration to the cost of the services rendered by such contract carriers and to the effect of such minimum charge or such rule, regulation, or practice on the movement of traffic by such carriers.

"(i) Whenever there shall be filed with the Commission by any such contract carrier any schedule, contract, charter, agreement, or undertaking, stating a charge for a new service or a reduced charge, directly or by means of any rule, regulation, or practice, for transportation in interstate or foreign commerce, the Commission may upon complaint of interested parties or upon its own initiative at once and, if it so orders, without answer or other formal pleading by the interested party, but upon reasonable notice, enter upon a hearing concerning the lawfulness of such charge, or such rule, regulation, or practice, and pending such hearing and the decision thereon the Commission, by filing with such schedule, contract, charter, agreement, or undertaking, and delivering to the carrier affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedule, contract, charter, agreement, or undertaking, and

defer the use of such charge, or such rule, regulation, or practice, for a period of 90 days, and if the proceeding has not been concluded and a final order made within such period the Commission may, from time to time, extend the period of suspension, but not for a longer period in the aggregate than 180 days beyond the time when it would otherwise go into effect; and after hearing, whether completed before or after the charge, or rule, regulation, or practice goes into effect, the Commission may make such order with reference thereto as would be proper in a proceeding instituted after it had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change in any charge or rule, regulation, or practice shall go into effect at the end of such period: *Provided*, That this paragraph shall not apply to a schedule referred to in section 321, or to any initial schedule, contract, charter, agreement, or undertaking, filed prior to January 1, 1941, by any such carrier (other than a carrier subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended, or the Shipping Act, 1916, as amended).

"REPARATION AWARDS; LIMITATION OF ACTIONS

"SEC. 308. (a) For the purposes of this section the term 'carrier' means a water carrier engaged in transportation subject to this part (1) by way of the Panama Canal, or (2) as a common carrier by water on the high seas or the Great Lakes on regular routes from port to port.

"(b) In case any carrier shall do, cause to be done, or permit to be done any act, matter, or thing in this part prohibited or declared to be unlawful, or shall omit to do any act, matter, or thing in this part required to be done, such carrier shall be liable to the person or persons injured thereby for the full amount of damages sustained in consequence of any such violation, together with a reasonable counsel or attorney's fee, to be fixed by the court in every case of recovery, which attorney's fee shall be taxed and collected as part of the costs in the case.

"(c) Any person or persons claiming to be damaged by any carrier may either make complaint to the Commission or may bring suit in his or their own behalf for the recovery of the damages for which such carrier may be liable under the provisions of paragraph (b), in any district court of the United States of competent jurisdiction; but such person or persons shall not have the right to pursue both of said remedies.

"(d) If, after hearing on a complaint, the Commission shall determine that any party complainant is entitled to an award of damages under the provisions of this part for a violation thereof by any carrier, the Commission shall make an order directing the carrier to pay to the complainant the sum to which he is entitled on or before a day named.

"(e) If such carrier does not comply with an order for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may file with the district court of the United States for the district in which he or it resides or in which is located the principal operating office of such carrier or in which is located any port of call on a route operated by such carrier, or in any State court of general jurisdiction having jurisdiction of the parties, a complaint setting forth briefly the causes for which he claims damages, and the order of the Commission in the premises. Such suit in the district court of the United States shall proceed in all respects like other civil suits for damages, except that on the trial of such suit the findings and order of the Commission shall be prima facie evidence of the facts therein stated, and except that the plaintiff shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the plaintiff shall finally prevail, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit.

"(f) (1) All complaints against carriers for the recovery of damages or overcharges shall be filed with the Commission within 2 years from the time the cause of action accrues, and not after.

"(2) The cause of action in respect of a shipment of property shall, for the purposes of this section, be deemed to accrue upon delivery or tender of delivery thereof by the carrier and not after.

"(3) A complaint for the enforcement of an order of the Commission for the payment of money shall be filed in the district court or the State court within 1 year from the date of the order, and not after.

"(4) The term 'overcharges' as used in this section means charges for transportation services in excess of those applicable thereto under the tariffs lawfully on file with the Commission.

"(5) The provisions of this paragraph (f) shall take effect 6 months after this section becomes effective and extend to and embrace cases in which the cause of action has heretofore accrued.

"(g) In such suits all parties in whose favor the Commission may have made an award of damages by a single order may be joined as plaintiffs, and all of the carriers parties to such order awarding such damages may be joined as defendants, and such suit may be maintained by such joint plaintiffs and against such joint defendants in any district where any one of such joint plaintiffs could maintain such suit against any one of such joint defendants; and service of process against any one of such defendants as may not be found in the district where the suit is brought may be made in any district where such defendant has his or its principal operating office. In case of such joint suit the recovery, if any, may be by judgment in favor of any one of such plaintiffs, against the defendant found to be liable to such plaintiff.

"CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND PERMITS

"SEC. 309. (a) Except as otherwise provided in this section and section 311, no common carrier by water shall engage in transportation subject to this part unless it holds a certificate of public convenience and necessity issued by the Commission: *Provided, however*, That if any such carrier or a predecessor in interest was in bona fide operation as a common carrier by water on June 1, 1939, over the route or routes or in the trade or trades for which application is made and has so operated since that time (or, if engaged in furnishing seasonal service only, was in bona fide operation during the seasonal period, prior to or including such date, for operations of the character in question) except, in either event, as to interruptions of service over which the applicant or its predecessor in interest had no control, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission as provided in paragraph (b) of this section and prior to the expiration of 120 days after this section takes effect. Otherwise the application for such certificate shall be decided in accordance with the procedure provided for in paragraph (c) of this section and such certificate shall be issued or denied accordingly. Pending the determination of any such application the continuance of such operation shall be lawful. Whenever any common carrier conditionally exempted pursuant to the provisions of section 303 shall, by order of the Commission, become subject to regulation as provided in this part, the Commission shall, upon application and without further proceedings, issue a certificate to such carrier in operation at the time of its order.

"(b) Application for a certificate shall be made in writing to the Commission, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Commission shall, by regulations, require.

"(c) Subject to section 310, upon application as provided in this section the Commission shall issue a certificate to any qualified applicant therefor, authorizing the whole or any part of the operations covered by the application, if the Commission finds that the applicant is fit, willing, and able properly to perform the service proposed and to conform to the provisions of this part and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, to the extent authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied.

"(d) Such certificate shall specify the route or routes over which, and the ports to and from which, or the trade or trades in which, such carrier is authorized to operate, and, at the time of issuance and from time to time thereafter, there shall be attached to the exercise of the privileges granted by such certificate such reasonable terms, conditions, and limitations as the public convenience and necessity may from time to time require, including terms, conditions, and limitations as to the extension of the route or routes of the carrier, and such other terms, and conditions, and limitations as are necessary to carry out, with respect to the operations of the carrier, the requirements of this part or those established by the Commission pursuant thereto: *Provided, however*, That no terms, conditions, or limitations shall restrict the right of the carrier to add to his or its equipment, facilities, or service within the scope of such certificate, as the development of the business and the demands of the public shall require.

"(e) No certificate issued under this part shall confer any proprietary or exclusive right or rights in the use of public waterways.

"(f) Except as otherwise provided in this section and section 311, no person shall engage in the business of a contract carrier by water unless he or it holds an effective permit, issued by the Commission authorizing such operation: *Provided*, That if any such carrier or a predecessor in interest was in bona fide operation as a contract carrier by water on June 1, 1939, in the trade or service for which application is made, and has so operated since that time (or, if engaged in furnishing seasonal service only, was in bona fide operation during the seasonal period, prior to or including such date, for operations of the character in question) except, in either event, as to interruptions of service over which the applicant or its predecessor in interest had no control, the Commission shall issue such permit, without further proceedings, if application for such permit is made to the Commission as provided in paragraph (g) of this section and prior to the expiration of 120 days after this section takes effect. Otherwise the application for such permit shall be decided in accordance with the procedure provided for in paragraph (g) of this section and such permit shall be issued or denied accordingly. Pending determination of any such application the continuance of such operation shall be lawful. Whenever any contract carrier by water conditionally exempted by the provisions of section 303 shall, by order of the Commission, be made subject to regulation as provided in this part, the Commission shall, upon application and without further proceedings, issue a permit to such carrier in operation at the time of its order.

"(g) Application for such permit shall be made to the Commission in writing, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Commission shall, by regulations, require. Subject to section 310, upon application the Commission shall issue such permit if it finds that the applicant

is fit, willing, and able properly to perform the service proposed and to conform to the provisions of this part and the requirements, rules, and regulations of the Commission thereunder, and that such operation will be consistent with the public interest and the national transportation policy declared in this act. The business of the carrier and the scope thereof shall be specified in such permit and there shall be attached thereto at time of issuance and from time to time thereafter such reasonable terms, conditions, and limitations, consistent with the character of the holder as a contract carrier by water, as are necessary to carry out the requirements of this part or those lawfully established by the Commission pursuant thereto: *Provided, however,* That no terms, conditions, or limitations shall restrict the right of the carrier to substitute or add contracts within the scope of the permit, or to add to his equipment, facilities, or service, within the scope of the permit, as the development of the business and the demands of the carrier's patrons shall require.

"DUAL OPERATION UNDER CERTIFICATES AND PERMITS

"SEC. 310. The Commission, upon application, may issue to a water carrier more than one of the forms of operating authority specified in section 309 if the Commission is of opinion that the granting of such application will be consistent with the public interest and with the national transportation policy declared in this act.

"TEMPORARY OPERATIONS

"SEC. 311. (a) To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier by water or a contract carrier by water, as the case may be. Such temporary authority shall be valid for such time as the Commission shall specify but not for more than an aggregate of 180 days, and shall create no presumption that corresponding permanent authority will be granted thereafter.

"(b) Pending the determination of an application filed with the Commission under this act for approval of a consolidation or merger of the properties of two or more water carriers, or of a purchase, lease, or contract to operate the properties of one or more water carriers, the Commission may, in its discretion, for good cause shown, and without hearings or other proceedings, grant temporary approval, for a period not exceeding 180 days, of operation of the properties of such carriers by water by the person proposing to acquire them, as aforesaid.

"TRANSFER OF CERTIFICATES AND PERMITS

"SEC. 312. Except as provided in this part, any such certificate or permit may be transferred in accordance with such regulations as the Commission shall prescribe for the protection of the public interest.

"ACCOUNTS, RECORDS, AND REPORTS

"SEC. 313. (a) The Commission is hereby authorized to require annual, periodical, or special reports from water carriers, and to prescribe the manner and form in which such reports shall be made, and to require from such carriers specific answers to all questions upon which the Commission may deem information to be necessary. Such reports shall be under oath whenever the Commission so requires. The Commission may also require any such carrier to file with it a true copy of any contract, charter, or agreement between such carrier and any other carrier or person in relation to transportation facilities, service, or traffic affected by the provisions of this part.

"(b) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by water carriers, and the length of time such accounts, records, and memoranda shall be preserved, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money. The Commission or its duly authorized agents shall at all times have access to all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, and kept, or required to be kept by such carriers. The special agents or examiners of the Commission shall have authority under its order to inspect and examine any and all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, and kept or required to be kept by such carriers. This section shall apply to receivers of such carriers and to operating trustees thereof and, to the extent deemed necessary by the Commission for purposes of the administration of the provisions of this part, to persons having direct or indirect control of, or affiliated with, any such carrier.

"ALLOWANCES TO SHIPPERS FOR TRANSPORTATION SERVICES

"SEC. 314. If the owner of property transported under this part directly or indirectly renders any service connected with such transportation, or furnishes any instrumentality used therein, the charge and allowance therefor shall be no more than is just and reasonable, and the Commission may, after hearing on a complaint or on its own initiative, determine what is a reasonable charge as the maximum to be paid by the carrier or carriers for the services so rendered or for the use of the instrumentality so furnished, and fix the same by appropriate order.

"NOTICES, ORDERS, AND SERVICE OF PROCESS

"SEC. 315. (a) It shall be the duty of every water carrier to file with the Commission a designation in writing of the name and post-office address of an agent upon whom or which service of notices or orders may be made under this part. Such designation may from time to time be changed by like writing similarly filed. Service of notices or orders in proceedings under this part may be made upon such carrier by personal service upon it or upon an agent so designated by it, or by registered mail addressed to it or to such agent at the address filed. In default of such designation, service of any notice or order may be made by posting in the office of the secretary of the Commission. Whenever notice or order is served by mail, as provided herein, the date of mailing shall be considered as the time of service.

"(b) No order relating to a violation of this part by any water carrier shall be made by the Commission except after hearing upon complaint or after an investigation upon its own initiative.

"(c) The Commission may suspend, modify, or set aside its orders upon such notice and in such manner as it shall deem proper.

"(d) Except as otherwise provided in this part, all orders of the Commission, other than orders for the payment of money, shall take effect within such reasonable time, not less than 30 days, as the Commission may prescribe and shall continue in force until its further order, or for a specified period of time, according as shall be prescribed in the order.

"(e) It shall be the duty of every water carrier, its agents and employees, to observe and comply with such orders so long as the same shall remain in effect.

"ENFORCEMENT AND PROCEDURE

"SEC. 316. (a) The provisions of section 12 and section 17 of part I, and the Compulsory Testimony Act (27 Stat. 443), and the Immunity of Witnesses Act (34 Stat. 798; 32 Stat. 904, ch. 755, sec. 1), shall apply with full force and effect in the administration and enforcement of this part.

"(b) If any water carrier fails to comply with or operate in violation of any provision of this part, or any rule, regulation, requirement, or order thereunder (except an order for the payment of money), or of any term or condition of any certificate or permit, the Commission or the Attorney General of the United States (or, in case of such an order, any party injured by the failure to comply therewith or by the violation thereof) may apply to any district court of the United States having jurisdiction of the parties for the enforcement of such provision of this part or of such rule, regulation, requirement, order, term, or condition; and such court shall have jurisdiction to enforce obedience thereto by a writ or writs of injunction or other process, mandatory or otherwise, restraining such carrier and any officer, agent, employee, or representative thereof from further violation of such provision of this part or of such rule, regulation, requirement, order, term, or condition and enjoining obedience thereto.

"(c) The Commission shall enter of record a written report of hearings conducted upon complaint, or upon its own initiative without complaint, stating its conclusions, decision, and order and, if reparation is awarded, the findings of fact upon which the award is made; and shall furnish a copy of such report to all parties of record. The Commission shall publish such reports in the form best adapted for public information and use, and such authorized publications shall, without further proof or authentication, be received as competent evidence of such reports in any court of competent jurisdiction.

"(d) The copies of schedules, and classifications and tariffs of rates, fares, and charges, and of all contracts, agreements, and arrangements of water carriers filed with the Commission as herein provided, and the statistics, tables, and figures contained in the annual or other reports of carriers made to the Commission as required, under the provisions of this part shall be preserved as public records in the custody of the secretary of the Commission, and shall be received as prima facie evidence of what they purport to be for the purpose of investigations by the Commission and in all judicial proceedings; and copies of and extracts from any of said schedules, classifications, tariffs, contracts, agreements, arrangements, or reports, made public records as aforesaid, certified by the secretary, under the Commission's seal, shall be received in evidence with like effect as the originals.

"UNLAWFUL ACTS AND PENALTIES

"SEC. 317. (a) Any person who knowingly and willfully violates any provision of this part, or any rule, regulation, requirement, or order thereunder, or any term or condition of any certificate or permit, for which no penalty is otherwise provided, shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction in the district in which such offense was in whole or in part committed shall be subject for each offense to a fine not exceeding $500. Each day of such violation shall constitute a separate offense.

"(b) Any water carrier or any officer, agent, employee, or representative thereof, who shall knowingly and willfully offer, grant, or give, or cause to be offered, granted, or given any rebate, deferred rebate, or other concession, in violation of the provisions of this part, or who, by any device or means, shall knowingly and willfuly assist, or shall willingly suffer or permit, any person to obtain transportation subject to this part at less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was wholly or in part committed shall be subject for each offense to a fine of not more than $5,000.

"(c) Any person who shall knowingly and willfully solicit, accept, or receive any rebate, deferred rebate, or other concession in violation of the provisions of this part, or who shall by any device or means, whether with or without the consent or connivance of any water carrier or his or its officer, agent, employee, or representative, knowingly and willfully obtain transportation subject to this part at less than the rates, fares, or charges lawfully in effect, or shall knowingly and willfully, directly or indirectly, by false claim, false billing, false representation, or other device or means, obtain or attempt to obtain any allowance, refund, or repayment in connection with or growing out of such transportation, whether with or without the consent or connivance of such carrier or his or its officer, agent, employee, or representative, whereby the compensation of such carrier for such transportation or service, either before or after payment, shall be less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was in whole or in part committed, be subject for each offense to a fine of not more than $5,000.

"(d) Any water carrier or any officer, agent, employee, or representative thereof, who shall willfully fail or refuse to make a report to the Commission as required by this part, or to keep accounts, records, and memoranda in the form and manner prescribed or approved by the Commission, or shall knowingly and willfully falsify, destroy, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully file any false report, account, record, or memorandum, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was in whole or in part committed, be subject for each offense to a fine of not more than $5,000.

"(e) Any special agent or examiner of the Commission who knowingly and willfully divulges any fact or information which may come to his knowledge during the course of the examination of the accounts, records, and memoranda of any water carrier, made under authority of this part, except as he may be directed by the Commission or by a court of competent jurisdiction or judge thereof, shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than $5,000 or imprisonment for a term not exceeding 2 years, or both.

"(f) It shall be unlawful for any common carrier by water, or any officer, receiver, trustee, lessee, agent, or employee of such carrier, or for any other person authorized by such carrier or person to receive information, knowingly and willfully to disclose to or permit to be acquired by any person other than the shipper or consignee, without the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such carrier for transportation subject to this part, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor; and it shall also be unlawful for any person to solicit or knowingly and willfully receive any such information which may be so used. Any person violating any provisions of this subsection shall be guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was in whole or in part committed shall be subject to a fine of not more than $2,000. Nothing in this part shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court, or to any officer or agent of the Government of the United States or of any State, Territory, or District thereof, in the exercise of his powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crimes, or to another carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of business of such carriers.

"COLLECTION OF RATES AND CHARGES

"SEC. 318. No common carrier by water shall deliver or relinquish possession at destination of any freight transported by it until all tariff rates and charges thereon have been paid, except under such rules and regulations as the Commission may from time to time prescribe to govern the settlement of all such rates and charges and to prevent unjust discrimination or undue preference or prejudice: *Provided*, That the provisions of this paragraph shall not be construed to prohibit any such carrier from extending credit in connection with rates and charges on freight transported for the United States, for any department, bureau, or agency thereof, or for any State or Territory or political subdivision thereof, or for the District of Columbia. Where such carrier is instructed by a shipper or consignor to deliver property transported by such carrier to a consignee other than the shipper or consignor, such consignee shall not be legally liable for transportation charges in respect of the transportation of such property (beyond those billed against him at the time of delivery for which he is otherwise liable) which may be found to be due after the property has been delivered to him, if the consignee (1) is an agent only and had no beneficial title in the property, and (2) prior to delivery of the property has notified the delivering carrier in writing of the fact of such agency and absence of beneficial title, and, in the case of a shipment reconsigned or diverted to a point other than that specified in the original bill of lading, has notified the delivering carrier in writing of the name and address of the beneficial owner of the property. In such cases the shipper or consignor or in the case of a shipment so reconsigned or diverted, the beneficial owner shall be liable for such additional charges irrespective of any provisions to the contrary in the bill of lading or in the contract under which the shipment was made or handled. If the consignee has given to the carrier erroneous information as to who is the beneficial owner, such consignee shall himself be liable for such additional charges, notwithstanding the foregoing provisions of this paragraph. On shipments reconsigned or diverted by an agent who has furnished the carrier with a notice of agency and the proper name and address of the beneficial owner, and where such shipments are refused or abandoned at ultimate destination, the said beneficial owner shall be liable for all legally applicable charges in connection therewith.

"EMPLOYEES

"SEC. 319. The Commission is authorized to employ such experts, assistants, special agents, examiners, attorneys, and other employees as in its judgment may be necessary or advisable for the convenience of the public and for the efficient administration of this part.

"REPEALS; TRANSFER OF EMPLOYEES, RECORDS, PROPERTY, AND APPROPRIATIONS

"SEC. 320. (a) The following acts are hereby repealed insofar as they provide for the regulation of transportation in interstate or foreign commerce (as defined in this part) and for the regulation of persons to the extent that they are engaged in such transportation: The Intercoastal Shipping Act, 1933; the Shipping Act, 1916; the Merchant Marine Act, 1920; and the Merchant Marine Act, 1936 (except sec. 205 thereof).

"(b) Such officers and employees of the United States Maritime Commission as the President shall determine to have been employed in the administration of the provisions of law repealed by subsection (a), and whose retention by the United States Maritime Commission is not necessary, in the opinion of the President, for the performance of other duties, are transferred to the Interstate Commerce Commission upon such date or dates as the President shall specify by Executive order. Such transfer of such personnel shall be without reduction in classification or compensation, except that this requirement shall not operate after the end of the fiscal year during which such transfer is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned.

"(c) All files, reports, records, tariff schedules, and all property (including office furniture and equipment), contracts, agreements, documents, or papers kept or used by, made to, or filed with the United States Maritime Commission under or in the administration of any provision of law repealed by this part, are hereby transferred to the jurisdiction and control of the Commission, and may be used for such purposes as the Commission may deem necessary in the administration of this part.

"(d) All appropriations and unexpended balances of appropriations available for expenditure by the United States Maritime Commission in the administration of any provision of law repealed by this part shall be available for expenditure by the Commission for any objects of expenditure authorized by this part, in the discretion of the Commission, without regard to the requirement of apportionment under the Anti-Deficiency Act of February 27, 1906.

"EXISTING ORDERS, RULES, TARIFFS, ETC.; PENDING MATTERS

"SEC. 321. (a) All orders, determinations, rules, regulations, permits, tariffs (including rates, fares, charges, classifications, rules, and regulations relating thereto), contracts, or agreements, to the extent that they were issued, authorized, approved, entered into, or filed under any provision of law repealed by this part, and are still in effect, shall continue in effect as though issued, authorized, or approved by the Commission under this part, or entered into or filed under this part, until suspended, modified, set aside, or rescinded either by the Commission or otherwise in accordance with the provisions of this part.

"(b) Any proceeding, hearing, or investigation commenced or pending before the United States Maritime Commission at the time this section takes effect, to the extent that it relates to the administration of any provision of law repealed by this part, shall be continued or otherwise acted upon by the Commission as though such proceeding, hearing, or investigation had been instituted under the provisions of this part.

"(c) Any judicial proceeding arising under any provision of law repealed by the provisions of this part shall be continued, heard, and determined in the same manner and with the same effect as if this part had not been enacted; except that in the case of any such proceeding to which the United States Maritime Commission is a party, the court, upon motion or supplemental petition, may direct that the Commission be substituted for the United States Maritime Commission as a party to the proceeding or made an additional party thereto.

"SEPARABILITY OF PROVISIONS

"SEC. 322. If any provision of this part or the application thereof to any person, or commerce, or circumstance is held invalid, the remainder of the part and the application of such provision to other persons, or commerce, or circumstances shall not be affected thereby."

TIME EFFECTIVE

SEC. 202. Part III of the Interstate Commerce Act shall take effect on the date of the enactment of this act, except that sections 304 (c), 305 to 308, inclusive, 309 (a) and (f), 313 to 318, inclusive, 320, and 321 shall take effect on the 1st day of January 1940: *Provided, however*, That the Interstate Commerce Commission shall, if found by it necessary or desirable in the public interest, by general or special order postpone the taking effect of any of the provisions above enumerated to such time, but not beyond the 1st day of July 1941, as the Commission shall prescribe.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 260, line 14, after the period, insert: "In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers, after taking into consideration the overhead and all other elements entering into the cost to the carrier or carriers for the service rendered."

Mr. WADSWORTH. Mr. Chairman, the purpose of this amendment must be perfectly plain to all those who have heard it read by the Clerk. We have all been concerned as to the ultimate effect of this legislation if it is passed, on the rates to be paid by the public in one form of transportation or another, especially in the rates paid by the public for water transportation. It has been hinted, and that is a mild expression, from many sources, that the enactment of title II, part 3, which places all water-borne commerce under the jurisdiction of the Interstate Commerce Commission will result in raising the water-borne rates. It has been hinted, and that also is a very mild expression, that there are certain elements in transportation who hope that result will be achieved. I am not competent to read the future with sufficient accuracy to form on this occasion a definite and final conclusion on that point, but that suspicion or dread exists cannot be denied. My amendment seeks to place all three methods of transportation on the same basis with respect to minimum rates. I shall read it again:

In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers, after taking into consideration the overhead and all other elements entering into the cost to the carrier or carriers for the service rendered.

It is proposed to add that sentence at the end of paragraph (f) of line 14, page 260, and it is to be noted that paragraph (f) is the mandatory provision of this law which charges the Commission in making its rates, fares, charges, classifications, regulations, and practices to give due consideration, among other factors, to the effect of rates upon the movement of traffic, and so forth. This amendment, which I presume to offer to be added to paragraph (f), adds this direction to the Interstate Commerce Commission with respect to the enforcement of its regulations.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. McCORMACK. Would the effect of the gentleman's amendment be that a railroad could establish its own rates, so long as it makes a profit?

Mr. WADSWORTH. So long as the rate is compensatory, after taking into consideration overhead and all the other elements entering into cost to the railroad.

Mr. McCORMACK. Under the present law does not the Commission establish a rate which has regard for the ability of other railroads, or the financial capacity of other railroads? I am just inquiring. My main inquiry is whether or not the effect of the gentleman's amendment would be to permit a railroad itself or a water-transportation line to establish its own rates?

Mr. WADSWORTH. It applies to all three.

Mr. McCORMACK. But they could establish their own rates?

Mr. WADSWORTH. Provided they were compensatory.

Mr. McCORMACK. What does the gentleman mean by "compensatory," if I might ask?

Mr. WADSWORTH. That the carrier does not perform that service at a loss.

Mr. McCORMACK. In other words, each individual carrier, so long as it does not carry the service at a loss, could establish its own rates?

Mr. WADSWORTH. This amendment in effect will assure to the shipping public whatever advantage accrues from cheap transportation. If it can be found that a certain carrier or a class of carriers can perform the service more cheaply than heretofore, and can show that it can do it without loss, and that the rate proposed is compensatory, then the Commission shall allow them to do it.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the time of the gentleman from New York be extended 5 minutes. I think the gentleman is discussing a very important amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WADSWORTH. At the same time, by requiring that the rate be compensatory, we eliminate what we have all tried to eliminate in the past—outright cutthroat competition; deliberate cutthroat competition.

Mr. SIROVICH. Where all sides lose?

Mr. WADSWORTH. Where all sides lose.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman.

Mr. HALLECK. Did I understand the gentleman to say that his idea would be to fix rates at such a point as that the carrier would not carry the traffic at a loss?

Mr. WADSWORTH. He shall be adequately compensated for doing so.

Mr. HALLECK. May that not go so far as to include or mean that operation which we refer to as out-of-pocket costs?

Mr. WADSWORTH. Include it?

Mr. HALLECK. In other words, that freight in certain instances might be moved at a price just sufficiently high to pay the out-of-pocket cost involved?

Mr. WADSWORTH. Under this amendment a carrier may not reduce a rate to such an extent that it is no longer compensatory; but if he does reduce it, and can show that it is compensatory, the public is entitled to the benefit of that reduction.

Mr. HALLECK. My question is prompted by my understanding that the term "compensatory" is frequently interpreted to mean the out-of-pocket costs, and of course if the rate reflected the out-of-pocket cost, then the operation would not be at a loss, but the railroads have been continuously attacked by their competitors because they have sought, on occasion, to carry freight at the out-of-pocket cost, and it is pointed out in Mr. Secretary Wallace's letter that that is unfair competitive practice, and is destructive of the competitors of the railroads; that they should not be permitted to carry freight at that low rate.

Mr. WADSWORTH. May I say in reply to the gentleman from Indiana, that under this amendment the compensatory return is estimated after taking into consideration overhead and all other elements. It is not merely out-of-pocket cost. It is the general cost.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. MURDOCK of Utah. Would not your amendment have the effect of completely repealing the long-and-short-haul clause provision of section 4?

Mr. WADSWORTH. No; I think it would not, because that is a specific statutory prohibition existing in the law, which the Commission cannot ignore.

Mr. MURDOCK of Utah. But if your amendment is agreed to at this time and is in conflict with the long-and-short-haul provision, then certainly it takes precedence over that, and would have the effect of outright repeal.

Mr. WADSWORTH. I cannot reach any such conclusion.

Mr. MURDOCK of Utah. That is the conclusion that I reach.

Mr. WADSWORTH. The long-and-short-haul clause stands in the law today. It is specific and applies to a certain type of commerce, and unless you amend that basic law, I do not think it can be touched by the Commission.

Mr. MURDOCK of Utah. But if we say to the railroads that "as long as your rates are compensatory you can reduce

them to suit yourselves," they certainly could disregard the long-and-short-haul clause.

Mr. WADSWORTH. I cannot agree with the gentleman on that—not with that law still in existence.

Mr. THOMASON. What effect will the gentleman's amendment have upon the indefensible differentials that now exist? Would it have any bearing on the differential in rates that are now set up?

Mr. WADSWORTH. The rest of paragraph (f) treats with that.

Mr. THOMASON. It would do away with the differential rate situation?

Mr. WADSWORTH. It is up to the Commission to decide whether there is a differential.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. COFFEE of Nebraska. Is the gentleman's amendment not the same as the one that was adopted in the Senate?

Mr. WADSWORTH. Yes.

Mr. COFFEE of Nebraska. And would not the adoption of this amendment obviate any chance of the elimination of that provision in conference?

Mr. WADSWORTH. Yes. Mr. Chairman, I should say to the Members of the Committee that this amendment was introduced and adopted on the floor of the Senate under the name of Senator MILLER and is contained in the Senate bill. If it is restored in the House bill, then, at least, if this bill should pass, this particular matter would not be in conference.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. PATRICK. Referring to the question asked by the gentleman from Utah [Mr. MURDOCK], I am unable to see, if the measure is altered by the adoption of this amendment, how the question is merely one of whether the rate is compensatory or not, how it can be reconciled with the long-and-short-haul clause that is already in the law. How would you operate under it and still have due regard for the long-and-short-haul clause? How would that work? How could it possibly operate?

Mr. WADSWORTH. I am not a member of the legal profession. I would have a good deal of difficulty in expressing a lawyer's opinion upon that; but I very sincerely believe that the long-and-short-haul clause is established in the law; it is specific; and I do not believe a rule of rate making, taken of and by itself, could have the effect of repealing it.

Mr. PATRICK. Suppose it comes down to a matter of bookkeeping—and that is what will be the case in the last analysis—how would you operate in case of conflict between the provisions of the long-and-short-haul clause and the gentleman's amendment?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Mississippi.

Mr. RANKIN. This is going to cure the very evil of the long-and-short-haul provision, is it not?

Mr. MURDOCK of Utah. By wiping it out.

Mr. RANKIN. By wiping out the discriminations and permitting a carrier to base his rates on cost of transportation. So, instead of injuring it, the amendment would help it.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 additional minutes. I would like to ask the gentleman a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Chairman, as a member of the Committee on Interstate and Foreign Commerce the gentleman has, I am sure, heard the members of the Interstate Commerce Commission say how difficult it is to determine whether any given rate is compensatory or not. It is difficult if not impossible for the Commission to determine whether a specific rate for the shipment of a carload of wheat, for example, from one point to another is compensatory or not.

Mr. WADSWORTH. I remember the difficulty expressed by the representatives of the Commission.

Mr. MAPES. Does not the gentleman think that the adoption of his amendment would hamstring the Commission and make it almost impossible for it to function efficiently? This amendment applies not only to rates on water but to rates of motor carriers and railroads as well. Does not the gentleman think it would unduly hamper the work of the Commission if this amendment were adopted?

Mr. WADSWORTH. I do not; and I may say to the gentleman from Michigan that the Commission has already embarked upon this effort and uses its estimates in the regulation of minimum rates.

Mr. MAPES. Will the gentleman yield further?

Mr. WADSWORTH. I yield.

Mr. MAPES. Does not the Commission frankly say that it cannot find the compensatory rate for any given shipment?

Mr. WADSWORTH. I have heard witnesses from the Commission state that it was exceedingly difficult to find the exact cost of transportation on a certain article, especially when that article may be mingled with other articles in the same car. I have heard that enlarged upon and emphasized; but is it not a fact that the Commission is required, either directly or indirectly, to endeavor to ascertain the compensatory rate? The Commission is authorized to fix minimum rates already in the motor-vehicle field.

Mr. DARDEN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. DARDEN. Is it not true that minimum rate in the case of carriers is limited by the carrier's ability to show that it covers its cost?

Mr. WADSWORTH. That is true.

Mr. DARDEN. The Interstate Commerce Commission does not take the initiative.

Mr. WADSWORTH. No; it does not.

Mr. DARDEN. It is initiated by the carrier; the carrier starts it.

Mr. WADSWORTH. The carrier must demonstrate that his rate is compensatory, including overhead.

Mr. DARDEN. And having done that, he is entitled to set the minimum rate.

Mr. WADSWORTH. And the public is entitled to have the advantage. [Applause.]

Mr. DARDEN. Exactly.

Mr. MICHENER. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Michigan.

Mr. MICHENER. If the formula provided for in the gentleman's amendment can be put into effect and is put into effect, in 99 out of 100 cases it will put the railroads out of business so far as competition with waterways and trucks is concerned, will it not?

Mr. WADSWORTH. I have no such fear.

Mr. MICHENER. If the railroads are not reorganized, they will have to be compensated for their overhead, including equipment, fixed charges, and all of those things, and your water carriers and trucks have subsidies in the form of Government aid in harbors and highways facilities.

Mr. WADSWORTH. The gentleman is embarking on another argument.

Mr. MICHENER. It is all germane to this whole thing, so far as the controversy is concerned. Take away from the water carriers its subsidies, take away from the truck lines their subsidized highways, and then you would be on a fair basis. But if the railroad is compelled to be fully compensated for all costs and the truck has no such overhead because of the subsidies, how can the railroads compete? The compensation provided for in the amendment will eliminate the railroads as competitors.

Mr. WADSWORTH. Well, the gentleman from Michigan must remember that this amendment which I propose

exerts no compulsion on the railroad nor any compulsion on any carrier.

Mr. MICHENER. It is the formula.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, during the consideration of this bill the subcommittee seriously considered whether or not we should not adopt an amendment equivalent to this. We desired that some fixed standard be established at which the low-cost carrier would not be encroached upon by the higher-cost carrier in fixing a rate. We tried our hand at drawing an amendment, particularly the gentleman from New Jersey [Mr. WOLVERTON] and I. After spending a couple of days with the problem we concluded it was better to leave the provisions in the bill as they are than to experiment. This committee did not expect to inject into this question repeal of the fourth section. The adoption of this amendment throws doubt upon the question whether or not it would not in effect amount to repeal of the fourth section.

This amendment provides that the carrier can initiate its rate if it will maintain a compensatory return. There is one elementary feature of rate making that must not be lost sight of, and that is that a transportation company fixes its rates or charges very much the same as a merchant does for his merchandise. For instance, a groceryman may sell a $5 sack of sugar at a profit of 25 cents. His overhead charge may be 30 percent, yet he handles sugar without a loss. If he is a general merchant, he may sell a hat at a profit of 50 percent of the cost. That is a rule of rate making the world over. Rates are not uniform according to value, weight, or space occupied.

Bear in mind that the carrier hauls much at a very small profit and more at a good profit. There is much difficulty in fixing an arbitrary rule that will work out satisfactorily to the different types of haulage. If you consider this as an out-of-pocket cost, then it is a destructive rate. It is the means by which railroads have driven boats off the rivers in times gone by. It is not legitimate competition if you permit one carrier to carry it without profit in order to prevent the other fellow from making something out of carrying it.

If this question relates purely to the cost of carrying a specific item, then it does not bear an average return which is necessary to the carrier. If you figure the carrier's full expense, including overhead, it is an entirely different matter from simply providing the cost to the carrier for carrying a specific item.

The gentleman who just spoke said that the burden would be on the Commission in determining the question to find out what it cost the carrier for a specific item. That is the old destructive method of figuring costs that has been used to put a competitor out of business.

The only way out for the carrier on this basis is to have unduly high rates in noncompetitive territory. If we permit a carrier to use this destructive rate with large volume cheap commerce, then it means in noncompetitive territory you have an unduly high rate. That is one of the great troubles in this country at the present time.

On the other hand, suppose this means the average cost of all expenses to the carrier. The language says, "so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered." For what service? For the service of that specific article, and that tends to put it on the destructive out-of-pocket cost basis. If it applies to the whole expense of operating the water or rail carrier, then that involves going up to the average of all rates, so that each rate shall carry its proportion of the whole cost to the carrier. In that event the objection to it, a very serious one, is the administrative difficulty. If that is the meaning of this language, the Commission is to take into consideraton the full cost of carriage. Every little rate case involving a 10-cent reduction in rate would cast upon the Commission the burden of determining the full cost of carriage on an average basis, including the high-cost freight and the low-cost traffic.

That is the reason why this amendment is objectionable from an administrative standpoint and from the standpoint of the carrier or shipper, because when the shipper goes to prove his case he will have this burden of providing the cost of carriage of that specific article or of the average cost of the carrier's whole business.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, I rise in support of the amendment.

The effect of this amendment would be to permit water carriers to charge rates which would preserve for the benefit of the public and the shipper the inherent advantage of water transportation. It would prohibit the Interstate Commerce Commission, in the determination of water rates, from using the cost of transportation by rail as a yardstick. As a friend of water transportation and development of inland waterways I have not shared with many other friends of water transportation the view that water transportation should not be subject to any regulation. I have taken the position that inasmuch as other forms of transportation are regulated, there is no valid or logical reason why water transportation should not be regulated, provided the regulation of water transportation is fair regulation. The fear of the friends of water transportation is that if the Interstate Commerce Commission is given the power to regulate water-transportation rates, that Commission will regulate water rates on the basis of the cost of rail transportation and thus in effect destroy water transportation.

The advocates and proponents of the bill now under consideration have repeatedly stated that it is not their intention that this legislation shall produce such a result. On the contrary they have expressed their assurance that they desire this bill to bring about only fair regulation of water carriers, and that the regulation which this bill will authorize will result in the establishment of water rates which will be based on the cost of water transportation. They state that this assurance is borne out in section 1 of the act which expresses the policy of the act under the caption "National transportation policy." This section provides, on page 198 of the bill, as follows:

> It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each.

And further—

> To encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices * * * all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, etc., to meet the needs of the commerce of the United States, of the Postal Service, and of national defense.

The amendment now proposed merely carries out the declaration of policy contained in the bill at its very outset. No advocate of this bill can logically object to this amendment for the simple reason that this amendment merely constitutes a specific, realistic, and practical legislative application of the policy which is declared at the outset of the bill to be the binding principle of the legislation.

This amendment merely carries out and makes effective the declared policy of the bill. As one who believes in fair regulation of water carriers, I shall support this legislation if this amendment is made a part of this bill because this amendment will insure fair regulation of water carriers. I shall not support the legislation if this amendment or a similar amendment is not made a part of the bill, because in that event, in my opinion, there will not be definite and certain assurance in the bill that the regulation of water carriers by the Interstate Commerce Commission will be such as to preserve to the public and to the shipper inherent advantages of water transportation in accordance with the declared policy of the act. The amendment should be adopted.

Transportation is a matter of the highest public concern, and its effect is so far-reaching that it touches economically the welfare of every section of the country and of every citizen of the country. The railroads have been a tremendous factor in the upbuilding of our Nation. The truck and the bus have added greatly to the transportation facilities both as to passenger and freight traffic. The airplane in a relatively short time has attained an important position. River development has resulted in a system of inland waterways upon which a large volume of traffic has been moved.

While transportation is important to all parts of the Nation it can be fairly said that it is of utmost importance to the great middle western section of the United States because that section, as a producer of raw materials, is dependent upon transportation to carry its products to the consumer. As a processor of these raw materials the Middle West must likewise rely upon transportation to convey the finished product to the great centers of population where it is consumed or used.

The railroads have been one of the chief factors in the settlement and expansion of the Middle West. The State of Nebraska, of which I am a native and one of whose districts I have the honor to represent in the Congress, has relied upon railroads for its settlement and for its development as have all other sections in the Missouri Valley. That territory must continue to rely upon the railroads in order that it may carry on its agricultural and commercial activities. It cannot be fairly said that the Nation and the people stand on one side and the railroads stand on the other. The railroads are definitely a part of the Nation. Railroad employees and their families constitute a very substantial proportion of the citizenship of the United States, and are as deeply interested in its welfare and prosperity as any other group of citizens within its borders. The enormous amount of money expended by the railroads in salaries and wages, and in the purchases of materials and supplies, is an important addition to our national buying power.

The bill before the House today will have the effect, among other things, of placing the regulation of rates for transportation by water carriers in the hands of the Interstate Commerce Commission. Water transportation is of utmost interest to the Nation and of particular importance to the Middle West. The opening of the Panama Canal had the effect of diverting transcontinental rail traffic to the cheaper coast and Canal-water route. Population decreased in the Middle West as it increased along the developed waterways. Industries moved away. Representation of the Midwest in the Congress of the United States was reduced. The lack of the advantage of water transportation placed the Midwest at the mercy of these sections which enjoyed that advantage. Realizing this situation the Congress of the United States some years ago made provision by appropriation for the development of the inland waterways system, including development of the Missouri River. This development has taken place under the competent supervision of the Army engineers. The city of Omaha, Nebr., which is my home, and which is located in the district which I have the honor to represent, is intensely interested in the development of waterways. That city, like the other middle western cities, has felt the adverse effects of the lack of water transportation facilities, and has suffered as a result of the advantage which other communities enjoyed because of their location at places where they might enjoy and have the advantage of water transportation and water rates. Throughout my service in the Congress I have devoted my energies each year to assisting in the securing of adequate appropriations for the carrying on of the development of the Missouri River in order that Omaha and Nebraska and the Middle West might have the advantage of water transportation at the earliest possible moment. This year I appeared before the Appropriations Committee and, together with other witnesses, urged adequate appropriations to complete the development of the Missouri River for transportation purposes from Kansas City to Sioux City. The following figures indicate the total cost of completion of the Missouri River work from Kansas City to Sioux City, the estimated expenditures to date, the percentage of completion and the additional allotment required for the present fiscal year, in order that navigation may be certified.

Missouri River	Estimated total cost of completion	Estimated expenditures (costs) to date	Appropriation percent complete	Additional allotment required (fiscal year 1940) that navigation may be certified
Kansas City district, Kansas City to mouth	$80,000,000	$69,125,000	87	$3,000,000
Kansas City to Sioux City:				
Kansas City district, Kansas City to Rulo	27,316,000	23,000,000	82	1,000,000
Omaha district, Rulo to Omaha	33,184,000	26,240,000	79	1,200,000
Omaha to Sioux City	31,500,000	15,704,000	50	5,000,000
Subtotal, Rulo to Sioux City	64,684,000	41,944,000	65	6,200,000
Total, Kansas City to Sioux City	92,000,000	64,944,000	70	7,200,000
Grand total, Sioux City to mouth	172,000,000	133,529,000	77	10,200,000

Appropriations have been allotted to this work which will enable the development to be carried on satisfactorily.

The Missouri River has been developed and is already open for barge transportation as far north as Omaha. Facilities have been set up in Omaha for terminal purposes. These facilities will be expanded as river development goes on to completion and as the river traffic increases in extent.

My position, as often stated, with respect to water transportation has been that I am heartily in favor of the development of the inland waterways of this country and that I consider it in the public interest that these waterways be made available in a practical way for transportation purposes. My attitude in this direction is well indicated by the activities above cited in connection with appropriations for Missouri River development.

It is contended in some quarters that the development of the rivers is antagonistic to the interests of the rail carriers. In this I cannot agree. In my opinion, anything which goes to develop a territory economically has the effect of adding a benefit to every economic interest in that territory. The lack of water transportation has reduced population in the Middle West and has caused the loss of industries in that section. This has not benefited the railroads. On the contrary, it has definitely injured them. A reversal of that situation by the development of water transportation which would result in an increase in population and a return of industries could not do otherwise than benefit the rail carriers who would enjoy a larger volume of business as a result thereof. So, to my mind, there is nothing inconsistent in the sponsorship of water transportation and in an effort to work justice to the railroads. Experience in other sections where water transportation exists demonstrates that there is no real reason why water-transportation and rail-transportation facilities cannot be coordinated to the mutual benefit of both forms of transportation.

The railroads of the United States have been under the regulation of the Interstate Commerce Commission since the establishment of that body. The bill under consideration would place water carriers under the regulation of the Interstate Commerce Commission. Much has been said to the effect that the imposition of this regulation upon water carriers will completely destroy the inland-waterways system in this country. Certainly no friend of water transportation would favor such a thing. However, I do not share that view. I have stated repeatedly that I see no sound objection to fair regulation of water carriers by the Interstate Commerce Commission. It is a matter of common knowledge that prior to the days when the railroads were regulated by the Interstate Commerce Commission evil practices obtained in the way of rebates and secret agreements by which

the small shipper was imposed upon and often driven out of business. The public recognizes that regulation of railroad rates in the interest of the public is sound regulation. I have never been able to agree that fair regulation of water rates is unsound. However, I have taken the position and continue to do so that I will favor no form of regulation of water transportation which would have the effect of permitting the Interstate Commerce Commission, the regulatory body, to fix water rates upon the basis of the cost of rail transportation. In other words, I have always stated that I would oppose any form of regulation by the Interstate Commerce Commission of water carriers which would not allow the shipper to have the full benefit of the savings and economies inherent in water transportation.

My attitude on the present bill, S. 2009, is that so far as concerns the provisions which would allow regulation of water rates by the Interstate Commerce Commission, I am not opposed to such provisions provided the bill carries in it a specific provision safeguarding shippers on water routes against the hazard of the imposition of rail rates for water transportation, or against the authorization of rates in which the natural and inherent savings of water transportation are not preserved for the benefit of the individual shipper.

Objection has been made through the course of development of the Missouri River that the Government money should not have been expended for this purpose. However, today we are concerned with a situation in which these expenditures have already been made and in which millions of dollars have been spent for the development of the Missouri River as a transportation facility. Certainly it would be unwise to provide by legislation that rates might be imposed on water transportation upon a basis which would make these rates so high as to destroy any possibility of transportation on the river and thus in practice waste the investment which has been made in the development of the river to the present point.

As passed by the Senate, S. 2009 contained a sentence which was inserted as an amendment to section 30 of the Senate bill. That amendment, known as the Miller amendment, had the effect of protecting the public against the possibility of the use by the Interstate Commerce Commission of rail transportation costs as a basis for the fixing of rates for water carriers in the event that the Congress enacts this legislation placing the regulation of water carriers under the Interstate Commerce Commission. That sentence does not appear in S. 2009 as reported favorably by the House Interstate Commerce Committee and as now before us. The amendment reads as follows:

> In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier of materials to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the services rendered.

I have announced my intention of supporting S. 2009 provided the bill in its final form safeguards the interest of the shippers and makes possible the preservation of the right of the shippers to enjoy the savings and economies which are inherent in water transportation. I have taken the position that while I favor regulation of water carriers I do not favor any system of regulation which will have the effect in practice of making possible the use of rail-transportation costs as a basis for water-transportation charges. I am opposed to legislation which will authorize the fixing of water-transportation charges which are so high as to have the effect of destroying water transportation.

I shall support S. 2009 in its final form if it contains the sentence above quoted or any other similar provision which will have the same effect as the provision in the bill passed by the Senate. I shall vote against S. 2009 if it does not contain such a sentence.

Members of the committee reporting legislation have preference over the other Members in securing recognition for the purpose of proposing amendments. It was my intention to propose the foregoing amendment. However, the gentleman from New York [Mr. WADSWORTH], a member of the Interstate Commerce Committee, has now proposed the amendment and I heartily favor the adoption of the Wadsworth amendment.

If this amendment is agreed to it will bring the bill in line with the bill as it passed the Senate so that water carriers may be allowed to base their rates upon the cost of water transportation and not be required to base their rates upon the cost of rail transportation or any other form of transportation whose costs are higher than the cost of water transportation. If this amendment or a similar amendment is agreed to, I shall support the measure, otherwise I shall not. It is to be hoped that this bill will not be passed in such form as to make possible the destruction of water transportation, but on the contrary that it will be so passed as to provide for fair regulation of water transportation.

This amendment will have the effect of insuring equitable regulation and I trust that it will be incorporated in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I hesitate to oppose the esteemed gentleman from New York in his amendment to this section of the bill, but I should like to call your attention to a few things that I believe some of you do not recognize.

The making of rates by any commission on transportation is one of the most difficult and one of the most complex tasks that can possibly be conceived of. We in our committee have tried to devise some better kind of formula for rate making, but have utterly failed. We have had the best possible advice in the world and we find that it can hardly be done.

I wish to call your attention to the fact that the compensatory cost of transportation by rail or by any other means, as proposed to be introduced by the gentleman from New York as a rule for rate making, is bound up also in the loading, the unloading, the switching, and many other costs in connection with transportation. I am inclined to agree with the gentleman from Utah [Mr. MURDOCK], who believes that this amendment would repeal in effect the provisions of the fourth section. I believe so because I know, as he knows, that switching charges and loading and unloading charges are a very large part of the cost of transportation, and that it actually costs less per mile if you have a long-line haul of freight than if you have short distances over which to transport the merchandise.

I believe also that the gentlemen here engaged in protecting water transportation would find this to be a very difficult rule. I do not share the gentlemen's fear that the Interstate Commerce Commission will be prejudiced against water or that it will be prejudiced in favor of the rails. That argument was advanced several years ago in connection with putting the motortruck rates under the Interstate Commerce Act, and that fear has been since found to be entirely unfounded. The Interstate Commerce Commission is acting in the interest of the people of the United States, and of the people of the United States as a whole, and not in the interest of any particular group or section. I believe you will find that while its decisions are necessarily very difficult to make, it has done its utmost to do a good job for all the people.

In further connection with these so-called compensatory rates, would you want to have that clause apply to the transportation of silk from Seattle to Passaic, N. J., or to some railroad station in the South? If you base the rates solely on the cost of that transportation, you will find that the rates on silk will be very materially reduced. Rates are made not only in accordance with the cost of the service but may take into consideration the value and perhaps seasonal character of the product moved in addition to the cost of the service.

A compensatory rate as proposed depends upon whether or not there can be a loaded back-haul of the vehicle. It depends upon the volume of traffic over the route, the number of barges per towboat, or the number of cars per train that

are to be moved in the operation being examined. It depends upon the section of the United States through which the traffic moves. It costs more to send trucks or trains over mountains than it does on the open plains. It depends upon how. It depends upon the season of the year. The compensatory cost is so absolutely undeterminable that the Commission could not possibly determine what the term means in figures in any given case.

I believe further that if this rule is applied it will give just cause on the part of all transportation agencies that are now showing a deficit to ask for an increase in rates. I, therefore, believe that this amendment is very unwise and ask that it be voted down. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 30 minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes. Is there objection?

Mr. CULKIN. Reserving the right to object, Mr. Chairman, I believe each Member who speaks on this amendment should be given 5 minutes. I have no objection otherwise.

Mr. LEA. Mr. Chairman, I modify my request to 40 minutes.

Mr. DIRKSEN. Reserving the right to object, Mr. Chairman, this matter is of such importance that if we are going to be given only 2 or 3 minutes apiece it will hardly be worth while.

Mr. ALEXANDER. I have counted 20 Members on their feet.

Mr. LEA. Mr. Chairman, I again modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour, the gentleman from Texas [Mr. RAYBURN] to have 5 minutes.

The CHAIRMAN. The gentleman modifies his request and asks unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour. Is there objection?

Mr. CULKIN. Reserving the right to object, Mr. Chairman, may I inquire how many Members desire to speak? Does the Chair have a record of that?

The CHAIRMAN. The Chair has listed the following Members, although I do not know whether anyone is on this list who does not want to speak: Mr. SOUTH, Mr. DIRKSEN, Mr. RAYBURN, Mr. CULKIN, Mr. MAPES, Mr. STARNES of Alabama, Mr. WARREN, Mr. EBERHARTER, Mr. KLEBERG, Mr. ALEXANDER, Mr. THORKELSON, Mr. RANKIN, Mr. BULWINKLE, and Mr. MURDOCK of Utah.

Mr. CULKIN. How many Members is that, if I may inquire, Mr. Chairman?

The CHAIRMAN. Thirteen.

Mr. BULWINKLE. And Mr. PATRICK.

The CHAIRMAN. That makes 14.

Mr. WHITTINGTON. Mr. Chairman, does this request apply to the amendment and amendments to this amendment?

The CHAIRMAN. The request applies to the pending amendment and amendments to the amendment.

The gentleman from Alabama [Mr. STARNES] does not want time, the Chair is advised.

Mr. CULKIN. Reserving the right to object, Mr. Chairman, if I may have the attention of the chairman of the committee, I suggest that the gentleman modify his request and ask for an hour and 10 minutes of debate.

Mr. LEA. Mr. Chairman, I again modify my request and ask that debate be limited to an hour and 10 minutes.

The CHAIRMAN. The gentleman from California modifies his request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour and 10 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Chairman, from the day that debate started upon this measure, it has been charged, and successfully so, that this is a railroad bill, favored by the railroad executives, aided and abetted by a powerful lobby to force through the Congress of the United States a measure of favoritism to a small minority group.

It has been charged, and successfully so, that not in one line or sentence or paragraph of this bill has there been anything for the protection of the American people. In every section of it they have been completely ignored. With the exception of certain amendments forced into this bill yesterday by a determined group of Members on both sides of this House, the amendment offered by the gentleman from New York [Mr. WADSWORTH] is the first thing that has been proposed in behalf of the American people. They are seeking here to build up a transportation monopoly in this country to raise the carrying charges throughout the country at the expense of the people.

This amendment offered by the gentleman from New York was passed unanimously by the Senate of the United States. It was accepted by the author of the Senate bill, the Senator from Montana [Mr. WHEELER]. I think all you have to do is to ask any Member of the Senate, regardless of how he stood on this measure, and he will tell you that unless this amendment that is now proposed had been accepted this bill would not have stood a Chinaman's chance in that body.

The Senate author of the bill is the foremost opponent in the United States of the repeal of the long-and-short-haul clause. They have tried to inject here, and the gentleman from California [Mr. HINSHAW] on the minority side has tried to inject, the proposition that the language might have the effect of repealing that clause.

Mr. LEAVY and Mr. MURDOCK of Utah rose.

Mr. WARREN. I yield first to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. The gentleman has in part answered the question I had in mind. The amendment itself seems to me to be sound and to lay down a formula or a rule, but in the gentleman's judgment could it possibly change the substantive law that now is written into our act?

Mr. WARREN. I will say to the gentleman from Washington [Mr. LEAVY] that the long-and-short-haul provisions are a part of the substantive law of the land, and this is merely a further injunction upon the rate-making structure.

Mr. LEAVY. That is the conclusion I reached.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. MURDOCK of Utah. If this bill passes, it will have just as much dignity, be just as solemn and just as much a part of the law as the present law. I want to go along with this bill and I want to go along with this amendment, and if the amendment and the bill that is now before us has nothing to do with the long-and-short-haul clause, then why should the gentleman from North Carolina or anyone else object to a simple amendment that would contain the provision that nothing in this paragraph, including the Wadsworth amendment, shall be construed in any way to affect the long-and-short-haul clause? If that simple, clarifying amendment goes into the bill, then I believe none of the Members from my section of the country who are opposed to the repeal of the fourth section would have any objection to this amendment.

Mr. WARREN. The gentleman has misunderstood me. I have not objected to that. This is the first time I have heard it presented. I am not in charge, however, of the amendment and that must be determined by those in charge.

Mr. MURDOCK of Utah. Would the gentleman have any objection to it?

Mr. WARREN. As has been stated, if the declaration of policy is to mean anything, what possible objection can there be to writing this amendment into the law? [Applause.]

[Here the gavel fell.]

The CHAIRMAN (Mr. DOXEY). The gentleman from Alabama [Mr. PATRICK], a member of the committee, is recognized for 5 minutes.

Mr. PATRICK. Mr. Chairman, I rise in opposition to the Wadsworth amendment.

Let us get back to the amendment just a second and consider the very thing that was uppermost in the gentleman's mind as he discussed the amendment. Remember that he is the author of the amendment and he laid special emphasis on this part of it, "taking into consideration overhead and all other elements entering into the cost to the carrier or carriers of the services rendered."

No law, no matter how idealistically it may be drafted, and no law, no matter what purpose we may have in mind in getting it passed, is any better than its application. No law is any better than what it can or will do when applied. Many a law has been passed, the purpose of which was splendid, but it could not do what was intended or what it purported to do and it failed because of its natural weakness.

This, in a very great measure, applies in this case. Let us see what will happen in the instance of this bill if some violator is hailed before the Commission and put to the test as to what he is charged with doing.

The gentleman from New York [Mr. WADSWORTH], who offered the amendment, took that position, when questioned; and I think he is right about it, and it would not apply to a mere specific case standing alone. The gentleman from California [Mr. HALLECK] questioned him on that; and he said, No; it would not apply merely to a transaction or some point or area of trade alone when presented to a commission or a court, but that the whole matter would be taken into consideration. Let us see how that would work out. This is a plain and practical thing; this is not a miasmic or a hazy proposition. It is not hard to get at. Whenever you haul somebody in for a violation and get him on the carpet, what will he do? He will open up his whole book. He will do just exactly what the gentleman from New York says; he will manage so as to take into consideration the overhead and all other elements entering into the cost to the carrier or carriers for the service rendered, in the exact words of the amendment, and then the specific point of violation alone will not be in, but you will have to look at the whole matter, take the whole works, and carry the whole institutional activity of his company, and he will beat down the thing that you are trying to do; and all in the world he will have to do is to cite the words of this amendment, and you cannot get away from it. If we come up here and pass laws on the basis of what we wish, we will be demagogic, and the man who serves the district is not the man who does that, no matter how many letters he may receive from this or that group. The people want him to educate himself, they want him to know, and if he does not know and he follows along on the first wind that blows east or west on some popular action, they will be the first ones to pop his head off when the true situation is realized and when election day comes. So we have to get down to the sound bedrock and vote for things as they are, and not vote them as we wish they were. Therefore, when these things are all in and the facts are fully known, no matter how idealistic we may be nor how much like statesmen we think we stand, we have to get down to the facts. I am gaining more respect for the politician and less for the statesman the longer I am here. I think the politician is the man who delivers what the statesman promises. He does not live away above the clouds in an impractical land of imagination, and this sincere, slugging politican is the one who comes in and looks the facts in the face, and does the job as it is possible to do it, thus, as it ought to be done. I am against this amendment.

Mr. SOUTH. Mr. Chairman, a great deal has been said about the plight in which the railroads now find themselves, and I concede that in many instances the railroads are in distress. The steel companies, the automobile companies, the building concerns, and industry generally, including agriculture, are in a condition not greatly different from that in which the railroads find themselves. In an effort to verify this fact or to convince myself that I was wrong, yesterday afternoon I picked up the Wall Street Journal of that date and the day before and read at random. I quote:

NORFOLK & WESTERN'S NET IN HALF TO COVER $5 DIVIDEND REQUIREMENT

PHILADELPHIA.—With the substantial increase in gross revenues in June to about $7,000,000 from $5,541,232 in the like month of last year, as indicated by car loadings, it is estimated that Norfolk & Western Railway for the first 6 months of 1939 will show a net income of approximately $5.50 a share on common stock against $2.88 in the like 1938 period.

So that railroad is not bankrupt as yet. Then I find this:

Northern Pacific's June gross likely about $5,376,000. Substantially higher levels of gross revenues reported by Northern Pacific Railway for May was maintained in June. Present estimates indicate tht gross last month approximated $5,376,000, a decrease of only $8,000 from the preceding month when a considerable bulge occurred, and an increase of $794,000, or 17 percent, from June 1938.

Turning now to the various roads, I find that many of them are on the increase, and listen to this from the Wall Street Journal——

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SOUTH. I have so little time that I ask the gentleman to permit me to continue.

Logically related to it is the present physical rehabilitation of the railroads. In the first 5 months of this year the gross earnings of the railroads increased by 9½ percent, whereas transportation expenses—the sheer cost of movement, like the water that goes through the mill to move the wheels—increased no more than 1 percent. Their expenditures of the period for maintenance of way and of equipment, on the other hand, increased in direct proportion to the gain in gross revenues. Adversity has again, as so often before, taught a new skill in the economy of movement effort and cost. In kind, though not in degree or width of opportunity, the railroads have entered upon the same phase of the recurring cycle as that which began in the days when the Union Pacific was described as a streak of rust.

In other words, the railroads have begun to make money just as we have contended they would if and when conditions got back to normal.

From the Wall Street Journal of March 2, 1939, I quote:

The rail net for 1939 may reach the highest level since 1930. The projection of January results indicate a surplus, after charges of at least $130,000,000.

Now, gentlemen, in all candor and all fairness, if you can forget what the railroad lobbyists and railroad sponsors have said, I ask you if the railroads are not faring about the same as other industries in this country? [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Illinois [Mr. DIRKSEN] is recognized for 5 minutes.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DITTER. Mr. Chairman, the presence of the Pennsylvania delegation on this side of the aisle has caused some interest and excited some curiosity. May we digress from the seriousness of the situation of our legislative duties for a moment to direct the attention of the membership of the House to the fact that the dean of the Pennsylvania Republican delegation, Mr. WOLFENDEN, today celebrates his fiftieth birthday? [Applause.]

Mr. DIRKSEN. Mr. Chairman, if we are to find a durable solution for this very irritating railroad problem, there are three things we must recognize. The first is that the days of railroad expansion are over. That is manifest from the fact that there are 17,000 less locomotives in operation today than there were 15 years ago. They are operating less track today than they were in 1918. Physical expansion is over.

Secondly, they are up against competition. Electric lines have gone out. The railroads have surrendered a great deal of their passenger service to busses and a great deal of their freight service to trucks. We must recognize that they are living in a competitive era.

To particularize, in the last 11 years railroads have lost 11 percent of their freight business and 23 percent of their passenger business. Meanwhile, pipe lines have gained 4.3 percent in business, bus traffic has increased by 32 percent, and transportation of freight by truck has increased about 4 percent.

All this but emphasizes the fact that we are living in a leveling-off period, when the transportation pattern has been definitely established, when physical expansion is over, when most communities are now served with some type of transportation, when competition is definitely a part of the problem, and when restrictions must be relaxed if the railroads

are ever to obtain sufficient revenues to remain on the black side of the ledger.

Third, we must recognize also that railroads must go out and get business for themselves if they are ever to be rehabilitated and kept on a paying basis. That means that restrictions must be relaxed; burdens must be removed insofar as government can do it in order that they may have a full and fair chance to compete for the business which may exist.

The Government cannot make people ride. It cannot make them manufacture goods and ship them. Yet they will get out of this difficulty only in proportion as business is generated. There is a way to generate business, in my judgment. The first is that the rate-making rule ought to be revised. I think it is nonsensical and stupid to tie them up to the rate-making rule which embraces movement of traffic and which has been so narrowly administered. The second is that this highly stupid business of preventing them from abandoning lines ought to be stopped. There is no justification whatsoever, in my judgment, that a railroad company should be compelled to go through the rigamarole of long and expensive hearings in order to abandon an unprofitable piece of line. It is going to be reflected, of course, in increased earnings if abandonment of unprofitable lines were permitted, when it can be demonstrated that they are unprofitable.

Finally, there ought to be some modification of the fourth section. If the amendment that is pending on the desk will do what I think it does, then I am for it, because it will modify it in the interest of everybody and everything. For many years I have actively supported every effort to secure a modification of this inequitable provision of the Transportation Act.

Now, who are the parties in interest to a modification whereby rates can be reduced, so long as they are compensatory? The public will get the advantage of reduced rates if they can be reduced. If you consider it from the standpoint of the stockholders and security holders of railroad debentures, bonds, and notes, the language of the amendment is that it has to be compensatory. So that you are not selling them down the river.

Finally, it provides that all types of transportation shall have available to them the right to reduce rates if they can. So the competitors cannot complain; the stockholders cannot complain; the public cannot complain; because all of them are taken care of in this amendment. In my judgment it is one way in which business can be obtained and fair competition preserved.

Now, we can shout to the housetops and talk as long as we please, but the bill that is before us today is going to be a mere gesture unless business is restored to the railroads. That means that some element of competition, some flexibility, some freedom ought to be accorded so that they can go out and get a little business and put themselves on the black side of the ledger.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes; I yield to the gentleman.

Mr. MURDOCK of Arizona. Does the gentleman think that the amendment before us will have the effect of repealing the long-and-short-haul clause?

Mr. DIRKSEN. I do not believe it will entirely repeal it, but in my judgment it will modify it somewhat. It will safely modify it, because the provision is that the rate must be compensatory, and that puts the burden of proof upon the carrier to show that it is compensatory, and thereby take care of the intrinsic welfare of the railroads, of the stockholders, and of the management.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SIROVICH. I spoke to the distinguished gentleman from New York [Mr. WADSWORTH], who said he was willing to accept the amendment proposed by the gentleman from Utah [Mr. MURDOCK] that it shall not affect the long-and-short-haul clause.

Mr. DIRKSEN. Personally, I favor the repeal of the long-and-short-haul clause, but more than that I want to give the carriers a chance to get a little business. In the Middle West we are living in a land-locked empire. So much of our business goes to the coastwise trade. You can ship candy from Boston to San Francisco cheaper than you can from Chicago. The last time I checked the rate it was 90 cents per 100 pounds from Boston to San Francisco and it is $1.63 per 100 pounds from Chicago to San Francisco. You have us bottled up out there, and you have got to give our railroads a chance to get some of this business, or otherwise we are just making a gesture at the moon in this whole bill. [Applause.]

The time has come to recognize the essential fact that the railroads have grown up. They have reached maturity. Mileage is being abandoned instead of extended. There are no new communities clamoring for service. The highway pattern is not only here to stay but is being expanded by Federal and State governments. Trucks are here to stay, and nobody makes any pretense that they should be abolished or restricted. Water transportation is here to stay, and nobody would contend that it be abolished. The airways are well past the pioneering stage, and air travel has been reduced to a routine and commercial enterprise; it is here to stay..

Our job, therefore, if we are to solve the transportation problem, is to operate within this framework and permit all types of transportation to get the business if they can so long as the rates are compensatory and in the public interest. By that standard, I have no fear but what railroads will get their share of the business and develop new initiative. Such a rule would make it possible to develop new economies of operation and provide the incentives needed to get the railroads of the country out of their present slump.

The CHAIRMAN. The gentleman from New York [Mr. CULKIN] is recognized for 5 minutes.

Mr. CULKIN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. WADSWORTH].

We give a great deal of weight to the experience and background of the Members on these questions, whether or not they have had committee experience and have studied the particular subject matter of the legislation pending. Senator WADSWORTH is, to my mind—and I say it with due respect to the other distinguished gentlemen on this committee—the outstanding member of the Committee on Interstate and Foreign Commerce in point of background, experience, and high intelligence.

Offered by him, this amendment should have added consideration.

This amendment cures the confused condition existing in the Interstate Commerce Commission. Edmund Burke once said that refined policy was the parent of confusion, and that is the situation in which our rate-making structure has come in America. It was stated here on the floor yesterday that Danville, Va., a small city, had a rate case which cost $50,000,000 to try. This amendment brings to an end for all time that type of mysterious procedure so completely encircled in red tape. It brings the daylight into this labyrinthian situation. I do not believe, as suggested here, that it will affect the fourth section. Rates must be compensatory. Instead of letting the Interstate Commerce Commission wander futilely and ineptly in the dark during the succeeding years, by their procedure hurting the transportation agencies, this bill gives them a definite and positive mandate, a mandate not for the railroads, not for the trucks, not for the waterways, but a mandate to consider the well-being, the transportation needs of the American people in these various fields, the single limitation being that it must be operated at a compensatory cost.

I very much trust that this situation of confusion which prevails in the transportation field to the detriment of all the people, of the railroads and other agencies of transportation will be ended by the adoption of this statesmanlike and

epoch-making amendment offered by the gentleman from New York. [Applause.]

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. HALLECK. As I understand it, the gentleman favors the application of the compensatory-return theory to all rates made by carriers.

Mr. CULKIN. Yes.

Mr. HALLECK. Would the gentleman favor that, then, for a long haul that otherwise might be prohibited under the fourth section?

Mr. CULKIN. The gentleman is trying to drag a red herring across the trail. I said in my brief discussion that this amendment will not affect, in my judgment, the fourth section, because complaints as to the elimination of the fourth section were that the railroads cut the rates down below compensatory rates and then destroyed other agencies. So I do not believe that the question the gentleman has asked is illuminating, and I say it with all due politeness, for I admire the gentleman. I do not believe it is particularly pertinent.

Mr. HALLECK. If compensatory rate is good for one place, it ought to be good all other places.

Mr. CULKIN. The gentleman's statement is not sound, in my judgment. I am compelled to differ with the gentleman. [Applause.]

The CHAIRMAN. The gentleman from Utah is recognized.

Mr. MURDOCK of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Utah to the amendment offered by Mr. WADSWORTH: At the end of the amendment strike out the period, insert a colon, and add the following: *"Provided,* That nothing in this bill shall be construed so as to affect the long-and-short-haul provision of section 4."

The CHAIRMAN. The gentleman from Utah is recognized for 5 minutes.

Mr. MURDOCK of Utah. Mr. Chairman, after reading the committee report on this bill and giving it as much study as I have been able to, I had concluded that, so far as I was concerned, I was willing to accept the recommendations of the great committee which reported this bill to the House; but just the minute that the question of repeal or modification or amendment of the fourth section is dragged into the debate, even by implication, then certain specters and ghosts of the past immediately arise to harass and horrify the men from that great intermountain section which has suffered so seriously from discriminatory rates which were formerly imposed on the intermountain States before the adoption of the fourth section. After listening to the reading of the amendment offered by the gentleman from New York [Mr. WADSWORTH], it immediately occurred to me that, at least by implication, it might be construed as an amendment, or modification, or in its administration the fourth section could be disregarded; and in talking to the gentleman from New York about that he readily agreed that in his opinion his amendment would not do that. If it will not do that, and it is not intended to do that, what objection can there be to the adoption of a simple amendment that says that nothing in this paragraph shall be construed so as to affect the long-and-short-haul clause of section 4? After talking to the gentleman from New York and submitting a tentative amendment to him, he agreed, with a couple of minor changes, that he had no objection to it.

When we find statesmen like the gentleman from Illinois [Mr. DIRKSEN] getting up here and telling us that, in his opinion, the adoption of the Wadsworth amendment will modify or amend, or even repeal, the fourth section, and then another statesman from the Republican side, the gentleman from New York [Mr. CULKIN], saying, "No; it is not intended to do that; it will not affect it at all," can you condemn the Democrats on this side, Mr. Chairman, after such expositions by statesmen on the Republican side, of being a little apprehensive as to just what the Wadsworth amendment does? In order, Mr. Chairman, to obviate and to eliminate any question of any effect on the fourth section, this qualifying amendment can hurt no one, but certainly will satisfy those Members whose sections have suffered so much from discriminatory rates.

Mr. DIRKSEN and Mr. MARTIN of Colorado rose.

Mr. MURDOCK of Utah. Inasmuch as I mentioned the distinguished gentleman from Illinois, I yield to him first.

Mr. DIRKSEN. In order to keep the RECORD straight, I think I observed that I did not know whether it would repeal the fourth section or not; but I may say to the gentleman that so far as I personally am concerned, if it did repeal it I certainly would not care much about it.

Mr. MURDOCK of Utah. I know that is the gentleman's attitude, and for that very reason and to get away from any chance that the Wadsworth amendment may repeal or affect the fourth section, I am offering this amendment, as I am informed the railroads are not asking for any amendment of the long-and-short haul provision as it now exists.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. MURDOCK of Arizona. The gentleman from Utah has expressed my apprehensions in the matter, and also my desire by his amendment to the amendment before us. I am for it. I, too, come from that intermountain country and am intensely interested in the continued operation of the long-and-short haul clause. While I am inclined to favor the Wadsworth amendment, I fear to vote for it without the Murdock addition. I just want to make the observation that I cannot agree with the statement that the amendment before us is comparable with the long-and-short haul clause. What we are trying to do by the pending amendment is to give a fair deal to both water and rail transportation, as well as the shipping public. Let us empower the I. C. C. to eliminate cut-throat competition.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. MARTIN of Colorado. The statements made by those gentleman referring to compensatory rates raise a question in my mind as to whether they know what they are talking about.

It has been said that it is difficult to determine what a compensatory rate is. However, it is well understood that it is higher than the out-of-pocket cost. In my judgment, if this amendment—the Wadsworth amendment—is agreed to, instead of freeing the hands of the railroads, they will be further hog-tied by being bound to a rule of rate making above the out-of-pocket cost.

Mr. MURDOCK of Utah. Mr. Chairman, in conclusion may I say that the author of the amendment has agreed to accept my amendment, and I think that should be sufficient evidence of its necessity.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, unless this is purely a railroad bill, to be passed in the interest of railroad monopolies; unless it is a bill to raise freight rates and further pile upon the backs of the masses of American people additional burdens they are not able to bear; if this measure is to do justice to the American people who pay the freight or even proposes to do justice to them, then by all means the Wadsworth amendment should be adopted.

Mr. Chairman, I represent those people who pay the freight. I know we are being violently discriminated against in favor of water points. I know that we are being violently discriminated against by the North and South traffic rates. I know that we are paying more freight than we are able to bear now. As I said, if this bill is in the interest of the American people and it is proposed to do any measure of justice to the people who are already paying more freight than they can bear, then the Wadsworth amendment should be adopted.

Mr. RICH. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Would the gentleman have the railroads placed in the same category that he would the public utilities, by having the Government operate all of them?

Mr. RANKIN. If you pass this bill without protecting the people, who pay the freight you will be driving toward Government ownership of railroads.

Mr. Chairman, let me say to those men who are so sensitive about the railroads, who are so much in favor of protecting the American railroads at all costs, that demand profits on something like ten to fifteen billion dollars of water which exists in their capital structure, you are doing more with legislation of this kind, if you vote down the Wadsworth amendment, to hasten the day of Government ownership of railroads than anything else that could be done. The American people are not going to stand these enormous burdens; they cannot bear them. It is said that the other transportation systems are subsidized. But it was stated here on yesterday that the railroads had been subsidized to the extent of 132,000,000 acres of land, one-tenth the area of the United States, or as much as the entire area of Pennsylvania, New York, Mississippi, and Alabama combined.

Mr. MANSFIELD. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Texas.

Mr. MANSFIELD. The gentleman mentioned 132,000,000 acres.

Mr. RANKIN. Yes.

Mr. MANSFIELD. It was 132,000,000 acres by the Federal Government. In addition to that the States gave millions and millions of acres.

Mr. RANKIN. The gentleman from Texas is correct. I am talking about what the Federal Government did. I am not talking about the millions of acres given the railroads by the States.

They tell you all these other transportation systems are subsidized, and throw it up to us that the trucks are now running over highways constructed with public funds. That comes with poor grace. I have to dodge Pennsylvania Railroad busses every time I get out on the highway. The railroads are using the highways now and they are getting ready to put their own trucks on the highways in order to monopolize that traffic. Will they offer to pay for the building of those highways? No. They are seeking today to pile upon the American people, the ones who pay the freight, the highest rates the traffic will bear. They are seeking to go just as far as they possibly can.

This is going to be the dividing line. Those Members who are only interested in boosting railroad rates will vote against the Wadsworth amendment. The Members who are interested in the people who pay the freight, those Members who want to do justice to all concerned, will vote for the Wadsworth amendment.

Mr. DIRKSEN. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois for a question.

Mr. DIRKSEN. I observe that yesterday the gentleman from Texas [Mr. MANSFIELD]——

Mr. RANKIN. I did not yield for a long statement.

Mr. DIRKSEN. How about putting in the other side of the picture and showing the loss of revenue?

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. The gentleman can have no objection to my clarifying amendment?

Mr. RANKIN. I have no objection to the amendment offered by the gentleman from Utah. I may say to the gentleman from Illinois that the gentleman from Texas [Mr. MANSFIELD] is amply able to take care of himself on that proposition.

Mr. DIRKSEN. The gentleman is not presenting the other side of the story.

Mr. RANKIN. I hope this amendment is adopted.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Michigan [Mr. MAPES] is recognized for 5 minutes.

Mr. MAPES. Mr. Chairman, politics certainly makes strange bedfellows. I should think that when some of the supporters of this amendment hear the speeches of others that are supporting it they would come to the conclusion they are wrong in their position. Let me confess at the outset how little I know about the rule of rate making which this amendment proposes to amend. I say frankly I do not know what effect this amendment would have. I know we have discussed the rule of rate making over the years in the Committee on Interstate and Foreign Commerce a great many times. It is a very complicated, complex subject. I do know that this amendment does not apply to the fixing of rates of water carriers only; it does not apply alone to the fixing of rates of motor carriers; it does not apply alone to the fixing of rates for the railroads; it applies to all three. It is proposed to write into this bill on the floor of the House a rule of rate making that I dare say no one outside of the gentleman who has introduced the amendment [Mr. WADSWORTH], and the gentlemen who signed their names to this letter which contains the proposal, knows what it will really do, and I have some doubt whether they do or not. We have no recommendation of the Interstate Commerce Commission in regard to it.

This rule of rate making as written in the bill for the water carriers is the same, with the exception of changing the language from "railroads" to "water carriers," as the rule of rate making in the Interstate Commerce Act for the railroads.

Let me say that I would favor writing into the bill a simple declaration to the effect that the Interstate Commerce Commission in fixing the rates for water carriers should not consider the cost of transportation over the railroads, although I am convinced from a discussion of the matter in the Committee on Interstate and Foreign Commerce that such a declaration is not necessary.

Let me call the attention of the Members to the language of the bill:

> In the exercise of its power to prescribe just and reasonable rates * * * the Commission shall give due consideration, among other factors, * * * to the need, in the public interest, of adequate and efficient water transportation service at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable water carriers, under honest, economical, and efficient management, to provide such service.

I cannot conceive that the House without any further consideration than has been given this amendment will write into the law a provision which will change the rule of rate making for railroads, water carriers, and motor carriers, to what extent no one knows. No one knows what the effect of this amendment would be in the fixing of rates. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. EBERHARTER] for 5 minutes.

Mr. EBERHARTER. Mr. Chairman, I am against this bill as a whole, because I believe it was designed solely for the purpose of benefiting the strong railroad interests against the weak competitors in the form of water carriers. It is legislation designed for the benefit of the strong against the weak.

When this measure was brought on the floor last week I searched every page of it, and every sentence and every clause, and failed to find one single thing in the measure which would be to the interest of the consuming public as a whole or the people of the United States. Yesterday when the bill began to be read for amendment, of course, three or four amendments were adopted which will, in some measure, help the people of the country in general.

It seems to me the committee is in a rather awkward position in opposing this particular amendment because this amendment does nothing more than carry into effect the declaration of policy contained on the first page of the bill as rewritten by the Committee on Interstate and Foreign Commerce, particularly when they state that the act shall be so administered as to recognize and preserve the inherent advantages of each, meaning each method of transportation.

We all know that the water carriers are in a particularly advantageous position to furnish cheap transportation and thereby lower costs to the consumer in the final analysis. The committee in opposing this amendment seems to be fearful that the water carriers will be given the benefit of the natural advantages which they should enjoy. It has been the experience in the past that when the Interstate Commerce Commission has any control over water rates, which they do whenever such rates are connected with rail rates, they always put the water rates up nearly to the rail rates, so we know in advance what will be the ultimate result to the consumer under this act.

It seems to me that the committee should accept this amendment when the Senate, of whose wisdom we all have no doubt, accepted this amendment unanimously. The author of the bill, the Senator from Montana, accepted this amendment without any objection. The committee chairman himself [Mr. LEA of California] said that the committee discussed the amendment and I get the impression there was much doubt in their minds for quite a long period of time as to whether or not this amendment should be kept in the bill. So I see no objection whatever to the inclusion of this amendment. It is one of the few things that will make the bill palatable. In other words, if this amendment is not in the bill I do not believe the bill will have a possible chance of ever getting enough votes to pass this House. So if the committee wants really to pass a railroad bill of some kind I suggest to them that they be gracious enough to accept the amendment offered by the gentleman from New York [Mr. WADSWORTH].

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. The gentleman has made the statement that because this amendment was in the Senate bill it should be accepted. Will the gentleman accept the Senate bill as it is now written?

Mr. EBERHARTER. I did not make the statement that because this was in the Senate bill it should be accepted. I made the statement that the Senate accepted it unanimously, and that is one good reason it should be accepted here.

Mr. BULWINKLE. The gentleman said that because the Senate had adopted it we should adopt it.

Mr. EBERHARTER. I did not say that. I said that the Senate accepted it unanimously, and that the committee should have no objection whatever to it. In my opinion, the only chance this bill has of passage is to have this amendment written into it.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Does not the gentleman believe that the bill as it passed the Senate is far preferable to the bill as it stands without the pending amendment?

Mr. EBERHARTER. I believe the bill as it passed the Senate is more acceptable than the committee bill.

Mr. BULWINKLE. Would the gentleman from Oklahoma vote for the Senate bill?

Mr. JOHNSON of Oklahoma. No; nor will I vote for the present bill.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ALEXANDER] for 5 minutes.

Mr. ALEXANDER. Mr. Chairman, we are getting down to fundamentals when we consider this amendment of the gentleman from New York. We are really going to do something for the people of this country when we adopt this amendment, something the people have been hoping for and waiting and praying for since about 1887, when the Interstate Commerce Commission was first set up and organized, something which was intended to be done for the people of this country when the Interstate Commerce Act was enacted, and something which will also probably do away with some of the activities and duties of that commission, which is a thing a majority of the people of this country are talking about today because of the lack of action on the part of the commission in the interest of the common people, of the farmer, the shipper, and the consumer.

I think if a poll were taken of the people of this land, you would find that a majority of them would vote to do away with the Interstate Commerce Commission because of its failure to perform the function for which it was set up originally under the Interstate Commerce Act, that is, to protect the little fellow and the independent businessman, the farmers, and shippers from unfair and discriminatory rates such as were being granted by the railroads to their special friends and favorites at that time.

The gentleman from Michigan [Mr. MICHENER], when the gentleman from New York [Mr. WADSWORTH] introduced his amendment, brought up the point of laying rates on the subsidies which he insinuated the waterways and the busses have received or are enjoying. It seems to me that is the very thing the people of this country have objected to with reference to the railroad rates. They do not want rates based on the subsidies or on the free land, free rights-of-way which have been given the railroads, nor on their watered stock and inflated values; and they do not now want, if I am any judge of public sentiment, a water rate based on the subsidies which the gentleman from Michigan seems to think have been given. I am not sure any subsidy has been given to them, but I am sure that a great deal of subsidization has been done for our railroads, as I will now point out.

I have here a document which I have obtained from the Public Lands Division of the Department of the Interior, which gives the exact figures on the number of acres which have been donated or given to the railroads in the form of subsidy by the Federal Government, and this is for the benefit of the gentleman from Texas, too, who brought up this point a moment ago. I find that the total list running from back in 1853, when Stephen Douglas developed the idea, is 152,961,568.85 acres which were granted by the Federal Government to the railroads to assist them. In addition to that, of course, we know many States also granted large tracts of their territory.

Mr. MANSFIELD. Some of that was canceled for frauds.

Mr. ALEXANDER. Of these 153,000,000 acres, the total on which the railroads have taken out patents amounts to 130,389,960.08 acres.

I happen to come from a part of the country where the railroads enjoyed a great deal of benefit from this tremendous grant and subsidization, and I know of acres which were sold—and being in the real-estate business myself had something to do with it—in the years gone by from these grants on a basis when cut up into lots for as high as $300 an acre. When you consider this fact, plus the additional fact that it is reported, according to history, that upward of $1,000,000,000, was donated by the Federal Government in the form of cash to assist the railroads, subsidies which were donated through the action of Congress, you may get some small idea of the tremendous gifts, grants, and subsidies, which we the people of this country, have given the railroads.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Texas.

Mr. SOUTH. Is it not a fact also that the railroads now retain between twelve and thirteen million acres of land and there is nothing in this bill that says anything about ceding that back to the Government in case they cease to give the Government the benefit of rates?

Mr. ALEXANDER. The railroads now retain nearly 23,000,000 acres of that land, according to the figures I have here.

Mr. SOUTH. I will say to the gentleman that the title to part of that land is in question, but as to twelve or thirteen million acres of the land there is no question about that whatever.

Mr. ALEXANDER. The gentleman is correct, and I think it would be interesting if we had the time to go into a little of this history of the subsidization of our railroads, so we would understand that there is not a penny of money invested as far as the original organizers and promoters of the railroads are concerned. Also that thereafter the Wall Street manipulators and promoters sold stock based on the values created by our gifts and collected and pocketed more billions out of the earnings and savings of working people, of widows and orphans. Those things are matters of history.

We should also remember that thereafter during succeeding waves of depression and panic that even the value of this watered stock was wrung out and the stockholders in most cases lost it or sold it for a mere pittance to the Vanderbilts, the Harrimans, Goulds, and the Morgan monopolists in Wall Street, who, as a result, now own or control, or both, most of our important railroads today.

So now, in order to refresh our memories on these events, let us look at the record of history for a moment and by that means we may more easily and correctly determine what our present-day railroad owners merit and what our answer should be on this amendment and on this entire bill.

By 1853, the wily political orator Stephen Douglas had convinced everyone that the Pacific railroad should be built by private enterprise and that to encourage such construction large pieces of the public domain, all the western territories belonging to the Republic, could be detached and turned over to the railroad builders. These resources, John Quincy Adams had wished to retain for the nourishment and profit of the citizens at large. But the view that the untaxed lands of the Government should be turned over to private enterprise gained adherents in every quarter.

Inasmuch as these railroad lands, received without cost, could be disposed of at from $1.25 to $300 an acre by the promoters of "chains of cities", there was clearly room for private initiative and enterprise. But where the risks to capital were considered too great, the local, State, or National Government often underwrote the venture further by issuing bonds, which were an obligation upon the community or Nation thereafter, and turning these over to the railroad captains. William Z. Ripley, an authority in this field, estimates conservatively that three-fifths of the cost of the railroads was originaly borne by the Government, some $707,000,000 in known cash and $335,000,000 in land.

First, says Ripley, the railroad was organized by the "projectors" upon a blueprint, and a charter obtained, involving free land grants, sometimes in alternate sections running from 6 to 10 miles on either side of the line. Then a land company, owned by the directors of the railroad, was incorporated to develop and sell its lands. With the proceeds of the land sales, in addition to that from Government subsidies, and finally from the sale of mortgage bonds, building was begun. This in turn was done by a construction company, also owned by the directors, and with a characteristic abandon, a fearlessness of high cost of error, that the early railroad builders were famous for. Loss through extravagance by the construction company was borne with composure, since it affected nothing but the future of the railroad, whose capital stock usually represented nothing and cost the directors of the enterprise nothing.

Collis P. Huntington, the former watch peddler, who represented himself as the head of the Central Pacific Railroad of California, capitalized at $8,500,000, but with nothing paid in, whispered in corners to the friendly and interested Congressmen, chorusing their demands for lands, rights-of-way, and Government bonds, reporting the clamor of the settlers for railroad lines, estimating the fabulous profits through land and construction work which might be won, and promising much of these profits to those who entered the affair, whether they were plain citizens or Senators.

It was among these first comers that the railroad captains were recruited for the great cause. And the Congressmen who had the courage to help them at the start, afterward known as Railway Congressmen, were also ready to take their part, though not too publicly, and expected their rewards.

In short order the Pacific Railroad bill was passed, and the two companies which undertook the colossal affair were given Federal charters. The Union Pacific, building westward from the Missouri River, was granted 12,000,000 acres of unknown land, in alternate sections 10 miles deep, and also $27,000,000 in 6-percent 30-year Government bonds as a first mortgage. The Central Pacific, building from the sea eastward to meet the Union Pacific, was similarly granted 9,000,000 acres of land and $24,000,000 in Government bonds.

Soon afterward the enthusiastic lawgivers donated 18,000,000 acres of land to the group headed by Thomas Scott, who proposed to build the Texas & Pacific Railroad along the Mexican border; and 47,000,000 acres to another patriotic gentleman, Josiah Perham of Boston, who declared himself ready to build the Northern Pacific Railroad along the Canadian border. This and much more was freely given until 153,000,000 Federal acres were disposed of or more than most nations of the world in area, and all the coal, copper, oil, gold, and silver under them, all the timber and stone above them.

This recital of the facts of history gives a slight idea of the subsidies granted the railroads. Of course, we realize they would not have been possible without them, but when these railroad boys of today come in here and cry "Subsidy, subsidy, you are subsidizing the waterways and bus lines!" it comes with ill grace from the lineal descendants of the early-day promoters and monopolists who received such a golden hoard of subsidies. Shall we now turn control of our waterways and buses over to this gang to promote, and manipulate and dissipate as they have the railroads? [Applause.]

The CHAIRMAN. The gentleman from Texas [Mr. KLEBERG] is recognized for 5 minutes.

Mr. KLEBERG. Mr. Chairman, I have listened with considerable interest this afternoon to the discussion of the effect this amendment would have if adopted and the reasons offered as to why it should not be adopted. As a matter of fact, I am for this amendment. I would like to see this amendment in the bill, which might have a chance of passing and becoming law. My firm view is that, after all of the debate we have had here today, this bill, when passed upon finally by both Houses and sent to conference, will have only the beneficial effect of causing the conferees to think somewhat about the character of bill which they inevitably must draft and present back here for our consideration in the form of a conference report. I repeat that my objection to this whole proposition is based upon the fact that we are now dealing with a bill which proposes to control and regulate the entire major transportation facilities of this country, with the exception of the air. We are attempting to do that knowing, I repeat, what we are going to be called upon to vote on, and I took this time on this amendment to state that I am for it and will support it because of the beneficial effect it should have, at least, in future discussions of this rate-making proposition.

I find myself deeply concerned, Mr. Chairman, over the situation and I take this time to repeat my deep conviction that the only reasonable or constructive answer to the problem which confronts us, if we truly desire transportation legislation, is to recommit this bill, take it up in the light of the study it has received and go from there on early in the next Congress, looking toward consideration of a bill which treats the transportation agencies fairly.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. Yes.

Mr. PATRICK. The gentleman from Texas I regard as one of the fairest legislators in the House. Surely he is not committed now to a recommission of the bill before our deliberations are concluded and we have got to the end of what may or may not be in the measure.

Mr. KLEBERG. Mr. Chairman, the gentleman's earnest interest in the passage of this particular bill through this body will, in my candid opinion, have little or nothing to do with the bill to be finally presented to this House in the form

of a conference report. Every amendment placed on this bill, for instance, and voted on and accepted by a majority of this House may be discarded by the conferees in the new bill which under the peculiar parliamentary situation which confronts us will be the inevitable result of the conference.

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. Yes.

Mr. PIERCE of Oregon. That will not happen if we pass the Wadsworth amendment.

Mr. KLEBERG. We might have the Wadsworth amendment and nothing else, and I am going to vote for it because of the salutary effect that it will have on this piece of legislation.

Mr. McLAUGHLIN. And in connection with the gentleman's statement that this matter is to be entirely disposed of by the conferees, I call the gentleman's attention to the fact that Senator WHEELER in the debate on the floor of the Senate, when the Miller amendment was proposed, said he favored this and would do what he could to get it approved by the conferees, so that if we pass it it will be mandatory on the conferees to bring it back.

Mr. KLEBERG. I appreciate the gentleman's contribution.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THORKELSON. Mr. Chairman, I should be very glad to go along with any plan that has for its purpose rehabilitation of the railroads without any cost to the taxpayers of the United States. I have always questioned the right of the Congress or of the Federal Government to involve themselves in the private capital structure of business. I do not believe there is any constitutional power delegated to the Federal Government which gives it the right to enter into the private business affairs of the Nation's industries. However, if it is possible to regulate or rehabilitate the railroads without cost to the people, then I am for it. I want the Committee to bear in mind one particular point, and it is the power that we give to the Reconstruction Finance Corporation to underwrite all of the debts of these railroads and to act as a receiver for the railroads. It will involve considerable money to underwrite the railroad structure. If you take into consideration that the national debt in 1940 will be about $44,000,000,000, and that it is now estimated that the deficit for the fiscal year 1940 will be over $5,000,000,000 more, one can readily understand that we will accumulate a potential indebtedness by June 30, 1940, of forty-eight to fifty billion dollars. If you will look at the daily balance sheet of the Treasury, you will find that on the last of June 1939 the contingent indebtedness for the various private Federal corporations amounted to $13,145,886,194. That will make at least $62,000,000,000 indebtedness at the end of 1940. I do not believe that the taxpayers in this great country can repay such an indebtedness. It is quite true that we have paper assets against the $13,000,000,000, but the chances are that this will not be collected. If we underwrite the railroad indebtedness, it is difficult to say what the indebtedness might be at the end of the fiscal year 1941. Any business that runs along for 7 years and involves itself to the extent of $13,000,000,000 is not a sound business, particularly when it has only paper assets to balance such indebtedness. For that reason I say I would be very glad to go along with any plan which will rehabilitate or reconstruct the railroads or any other business in the United States, providing it does not cost the taxpayers any money. It is certainly very foolish for us to borrow money from the bankers, pay them interest on the money we borrow, and then take that capital and buy the bonds now held by the same bankers. In other words, we do nothing else but relieve them of their responsibility. We assume the indebtedness of the bankers and bondholders. We borrow the money from them; then we pay interest on the money borrowed and charge the losses and interest to the taxpayers of the United States. If anybody will prove to me that such business is sound, I shall go along with them. Otherwise, I shall oppose any plan that will place a greater load upon the taxpayers and business already overburdened with excessive taxes.

Mr. Chairman and members of the Committee, it is my desire to compliment the Members on their attempts to solve our railroad-transportation riddle. I am sure that the bankers who are now holding worthless railroad stocks and bonds are waiting anxiously for Congress to come to their relief and take these worthless securities off their hands. Congress came to the bankers' rescue after the World War and through its kindness of heart, allowed the taxpayers to assume uncollectible loans made by the same bankers during that war. Congress is now about to engage in another charitable act, not to our people, but to the bankers, the same crowd that is now controlling not only the Nation's gold but credit as well.

The queer thing about this transaction is that we will borrow the money from the Federal Reserve banks, pay them interest on such money, and charge all the losses to the taxpayers of the United States.

As I look back, I wonder what has gone wrong with Congress. We have obligated ourselves to protect the people, and we are ourselves of the people, and must return to their ranks. Yet we sit here, spend money, and charge all the losses to ourselves and our own people. In 1934 Congress repudiated investments made by the people who sent them to Congress, deprived them of gold and sound security, and left them with inflated currency and a hopeless future. After listening to Members talking on this floor, I can readily understand how easy it is to solve the railroad-transportation problem which, under private management and under the Interstate Commerce Commission, has gone in debt more and more each year. Do the Members of Congress expect to handle this railroad problem? Certainly not. It will be turned over to expert Government professors, and theoretical planners, who have for 10 years demonstrated their superior ability in decreasing the national debt and starting the wheels of industry and business operating, to increase employment. They have succeeded so well that the national debt is now nearly $50,000,000,000, the Nation's industry and business are bankrupt, and we have 20,000,000 people on part-time employment or unemployed.

Look at our merchant marine, which is carrying cargo to every bay of the coast, in direct competition with the railroads. Our merchant marine is the apple of the taxpayer's eye, for is it not subsidized, and are not all losses charged to the taxpayers of the United States? Are not the maritime boards and commissioners, that have so successfully regulated the merchant marine, also paid by the taxpayers? Of course they are. And look at the profitable deal when the *Leviathan* was sold to England. The taxpayers do not know even now what became of the money or what losses they sustained. This Board is smart. They have fooled everybody all these years, and still Congress appropriates more money to keep them happy and prosperous.

Just take a squint at the Labor Department, and its regulation of docks and loading facilities for the merchant marine, in allowing massive strikes for the purpose of dispatching handling of cargo. The Secretary of Labor knows all about it, for I have been informed that she is well versed in the movement of water commerce in Switzerland, Ethiopia, and other large countries. Let us not forget the discipline maintained by the Labor Department in cargo movement and in allowing the officers to maintain ship's discipline. Why, the officers are just about in complete control of their ships, if the crew agrees to take orders.

The Labor Department should be medalized for its keen knowledge of ship regulation and ship discipline. For look at our merchant marine. Where is it? You tell me.

I can readily understand that it is not sound business to reduce taxes on railroads, for that might reduce operating costs and allow them to compete with coast-wise shipping. As a matter of fact, it might even rehabilitate the railroads, and thus restore their earning power. I apologize for making this statement, yet it might be well to bear in mind that

reduction in overhead and operative cost is often employed to restore earning in business. Such procedure, of course, might give our new experts a headache, for it would upset their mental machinery.

Mr. Chairman, may I also compliment my colleagues who so clearly expound the legislation that may restore solvency to railroads and to the merchant marine as well. I am sure many of them, if they could be spared from Congress, would, if employed by the railroads, solve their problems promptly. Why not? Have not we had experience? Is it not easy to adjust profit and loss by legislation enacted by Congress? We have done this for years, and look at the results around us today. Is not that evidence it can be done? Here is the Interstate Commerce Commission. Just observe its success during the many years it has been in charge of transportation. Why, there is hardly a sound railroad today, and if you do not believe it, ask them.

The Members well know all we need is a little more legislation, regulation, and consolidation. And the trick is done. Railroad stock will be par overnight, and everybody will be happy.

May I call your attention to the success of Government operation of the air mail, when contracts were canceled a few years past? I am sure the Members well remember that, because it happened during President Roosevelt's administration. Why, in a few months, under efficient Federal management, the Army lost about 12 or 15 pilots, and many planes. Just imagine what might have happened if the administration had insisted on operating the air mail for 1 or 2 years. The chances are there would have been no pilots left—even for Hollywood movies.

I could sit here and enumerate one illusionary success after another, profit on paper, and abundance in conservation. What we should do now is to build an asylum for all these experts. Or maybe it would be better to consult Einstein and preserve all of them in his fourth dimension chamber.

I have always found it well to imagine myself in the other fellow's position. Today we are enacting legislation to care for bankrupt railroads, consolidation of them, regulation of rates between railroads and the merchant marine, and regulation of cargo. Could any one Member of Congress, if the opportunity presented itself, take charge of and operate a railroad or an ocean-going ship? Are there any Members in Congress who understand how railroads can be operated successfully? There is no evidence of it, for the Interstate Commerce Commission has been unable to produce legislation or regulation that permits profitable operation of the railroads. In view of all this failure, is it possible that any Member in this House believes that we are going to help the railroads by the bill, S. 2009, now under consideration? Personally, I am positive that it will be of as little help as similar legislation in the past.

Our national illness today is too much legislation, too much meddling by the Federal Government and its experts in problems they do not understand. If any of those who believe that our Nation's business, industry, and commerce can be placed on a profitable operating basis by legislation, he should be examined, because it takes common sense to operate business, little of which is found in present-day legislation.

The present administration has made no effort whatsoever to encourage business, or to allow the Nation's industries to operate on their own responsibility. As a matter of fact, it has done the opposite, for it is now actively engaged in active competition with private industry, and in such manner is destroying all those things that have made us strong and prosperous.

Mr. Chairman, what is the power of Congress? Let us not deceive ourselves, for we have no more power than that delegated in the Constitution of the United States. The real cause of the chaotic state in which we find ourselves today is due to the fact that Congress has not adhered to the Constitution, that the President has not seen that the laws are faithfully obeyed, and that the Supreme Court has failed in interpreting the Constitution correctly. If any branch believes that I am incorrect in this statement, I shall be glad to prove the contrary.

The Constitution provides that Congress shall have the power to "regulate commerce with foreign nations, among the several States, and with the Indian tribes." What does this mean? It means exactly the same regulation of commerce as is employed internationally, with the exception that Congress may negotiate with a foreign nation, but only among the several States. In other words, Congress has no constitutional right to meddle in the capital structure of business, no matter whether it be that of transportation or any other private business. Congress should confine itself to the regulation of this traffic, for the safety of the passengers and for the safety of the freight.

It is the duty of Congress to adjust differences between the States, when such differences arise, and Congress may prescribe safe roadbeds, routing, and other traveling safety devices. The greatest factors of destruction are politics, fraud and intrigue among the bankers, chiseling business and irresponsible Members in Congress and other branches of the Government. Instead of adhering to and honoring their obligations, they have helped in partition of the Nation's wealth. It was such disgraceful condition that led to the adoption of the seventeenth amendment, which was a mistake. The Senators found guilty should have been called back home, relieved of office, and replaced by decent citizens.

The greatest problem the railroads are facing today is rot within their own structure, watered stock, and stock trading on the Exchange. I believe the railroads ought to be consolidated, not with the taxpayers' money but with the money of those who have run them into the gutter. There is no reason why the poor taxpayers in the United States should come to the rescue of the bankers, when they have made colossal mistakes in business. We have, I believe, four roads paralleling across the country. Let one or two of them, with the best road-beds, be set aside for modern, fast travel. There is no earthly reason why we should not have trains traveling at the rate of 100 miles an hour. If we had such transportation, many of those now traveling in automobiles and in airplanes would be passengers on such trains. The other roads could be used for slower passenger traffic and freight transportation. The trouble with the railroads is that they have gone backward, while all other transportation has gone rapidly forward. I am opposed to helping the money sharks or money changers in Wall Street, for they have never been fair with our people, our industries, or with our Nation. The taxpayers have assumed their obligations and have taken their losses many times, as we did in the World War. Why should the people now step to the front, and assume another obligation, a banker's obligation, that should be charged up to those who own and control the railroads. I recall the many worthless bonds held by many banks in the '20's, when the bank corporation chain system was organized. What was the purpose of this organization? It was for no other purpose than to cover up horrid mistakes they had made, in extension of unsound loans to foreign countries, and for which the bonds had been sold to gullible outlying banks. These banks were taken over in trades of stock, and for what purpose? To seal their lips by placing the Wall Street crowd in charge of them.

The ability of these bankers is clearly evident when we recall what happened to this stock, when it fell off the perch, had to be reorganized, and finally ended as a great loss to its investors. That was banking stock, if you please, held by the intelligent and smart bankers who have always lived and preyed upon the earnings of honest and sincere citizens. We now have chain banks that are of little help to the communities in which they are located, and they are little better than chain stores, and federally owned private corporations, which are now destroying our Nation's industry and business. I may say at this point that these banks are owned and controlled by those who are intimately related with or are a part of the invisible Government.

It strikes me that it is about time that Congress give just a little consideration to the people who are sitting back home and hoping that we will help them—to the people who have made this country great and prosperous by hard, honest, and sincere labor—to the people who are waiting for Congress to arouse itself and get rid of the money changers, the Communists, and all other "ists" and "isms" that are now destroying the Government of the United States. They are waiting for Congress to give orders to the intelligence departments to bring the Communists into camps, for this unhealthful gentry stands convicted by its own works.

What is the President waiting for? It is his duty to see that the laws are faithfully obeyed, and the Communist is the worst enemy that the United States has ever had to face. So why not eliminate this monster before we are annihilated by the Frankenstein that has been nourished by this administration ever since it came into power? [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Chairman, this is another amendment introduced probably with good intention; but I am satisfied that many, many of you do not understand it and do not understand what will happen. One speaker just now said, "You do something to the people of the country." I admit that you will, because if this amendment is passed you will destroy competitive rates and put all rates upon a mileage basis. You will break down the entire competitive system of rates. You gentlemen may laugh about it, but when you go home you will find this is a serious proposition with your constituents. I say to you now that, of all the amendments introduced up to this time, this is the most serious of any that has come before the Congress. It will operate to prevent a carrier from reducing its rates below the amount which gives the carrier a compensatory rate, including full cost of performing this service. All costs must be considered under this amendment, whether related to transportation or not. As the cost accountants would say, "the fully allocated costs" must be considered in it. The cost of performance or operation is only one of the several elements in fixing the rates. The volume of movement, the value of the product to the shippers, market competition, are all considered. Let me remind you gentlemen from West Virginia that in your coal fields you have what is known as a market competitive rate. If your area for the mining of coal is 100 miles across, the point 100 miles west receives the same rate that a point 100 miles east receives to Norfolk.

I appeal to the lumbermen of Louisiana and to you men who ship cotton from the South, to the cypress growers of California and of Texas. Do you know what it will cost with this amendment? The Interstate Commerce Commission now has around 500 cases where railroads have asked for reduced rates. It will increase to probably 1,000 cases. They will have to employ 50 or 100 accountants annually on them, in order that these reduced rates may be carried into effect.

I tell you, and I tell you upon my responsibility as a Member of this Congress, that you will absolutely destroy the competitive system and put these rates on a mileage basis in the United States for the shipment of freight. Do you want it? Most assuredly you do not. Your shippers do not want it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RAYBURN] for 5 minutes.

Mr. RAYBURN. Mr. Chairman and members of the committee, for a long time I had the privilege of serving on the committee that now brings in this bill. The longer I remained a member of that committee and the more study I tried to give to the great question of transportation, the more and more I felt like a child, and realized how little I did know or could know with the time that I had to devote to it. I have helped bring many bills to this House, always highly technical. Especially when you touch the rate structure of the country you get into water that is so deep that only a man after long study and one who has acquired ability to study it from a technical standpoint can understand it.

In 1920 we thought we were wise enough to write a rate-making section in the Transportation Act of 1920 that would for all time settle the question of the rate-making power of the Interstate Commerce Commission. We attempted to do in section 15 (a) of the Transportation Act of 1920 practically what is sought to do in the Wadsworth or so-called Miller amendment today. We tried to instruct the Interstate Commerce Commission to fix rates based upon value, and within a few years the Interstate Commerce Commission found that that brought in so many elements that were impossible for them to determine, that they recommended the abandonment of section 15 (a), and the Congress in its wisdom repealed it and went back to the rule of rate making practically as it is carried in this bill.

Now, you can talk about your friendship for the shipper. You can talk about making it easy for one group or difficult for another group. If this amendment is adopted, it does not go to conference where they may have an opportunity to iron it out after argument by both Senate and House conferees. When it is adopted here it is the law, unless the President of the United States were to veto it. It would delay time out of mind every rate dispute that is brought before the Interstate Commerce Commission and it would add untold expense to the groups of people who appear before the Interstate Commerce Commission seeking to have rates in their immediate section of the country readjusted.

After the experience I have had with technical railroad legislation, I feel that I know it is a dangerous thing for the House in Committee of the Whole to accept amendments that have not been seriously considered by somebody like the committee.

I plead with this Committee this afternoon that before overturning a committee which is practically in unanimous opposition to this amendment, taking that position after 5 months of consideration of this bill, you had better think twice before you do it, because I know in dealing with as sensitive a thing as the railroad-rate structure of this country you are likely to do a violent thing—a thing you do not intend—by adopting far-reaching amendments in the Committee of the Whole. I do trust that in the interests of good legislation this amendment will be voted down and this whole subject be allowed to go to conference, where in an atmosphere of quiet they can deliberate in a sane way on this tremendous proposition of rate regulation, of rate structure, and of rules of rate making. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

Mr. PIERCE of Oregon. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. PIERCE of Oregon moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. PIERCE of Oregon. Mr. Chairman, while our beloved leader on the majority side has been in this House legislating for the last 20 years along the lines of transportation, I have been on the paying end, I have been paying freight, I have been studying the rates, I have been a victim of the rates; and my object in taking these few minutes is simply to say that if the rate structure we have now is the result of all that legislative effort, it is a mighty poor showing for the work this House has done. There is no justice, there is no equity, there is no reason in these rates.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE of Oregon. I yield.

Mr. WARREN. We have heard a great deal about the declaration of policy in this bill. If this declaration is to mean a single thing, what possible objection can there be to writing into the law this function of the rate-making structure?

Mr. PIERCE of Oregon. Absolutely none. I am delighted to know that the author of this amendment, for which I am going to vote with all my heart, has accepted the amendment offered by the gentleman from Utah [Mr. MURDOCK]. The Murdock amendment corrects one point that particularly

worried me—fear that the long-and-short-haul clause might be modified.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. PIERCE of Oregon. I yield.

Mr. MURDOCK of Utah. I am also advised by the gentleman from North Carolina that he, too, has no objection to my amendment to the Wadsworth amendment.

Mr. PIERCE of Oregon. The only question running through my mind as I listened to the reading of the Wadsworth amendment was, Does it affect the long-and-short-haul clause? For years I have felt the injustice of that clause; I have felt it personally. I remember one year when I was in the power business I bought a car of copper in New Jersey from the Roeblings, shipped it to the coast, 3,000 miles, and the freight was $720 to tidewater at Portland. The back haul from Portland to where I lived, 300 miles, was one-tenth of the distance. I paid $480 for that back haul. The copper did not take the joy ride to Portland. When it came to North Powder, where I used it, they took it off the car by permission of the railroad; yet I paid that extra $480 because of the right of the railroad to charge more for a short haul than for a long haul. It went into the capitalization of my company, affecting the rate structure. I sold the business and carried that freight charge along with it, and I presume my poor friends there are still paying on it in electric rates to compensate for the long-and-short-haul clause.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield for a question?

Mr. PIERCE of Oregon. I yield.

Mr. MURDOCK of Utah. I take it that if the gentleman had any apprehension at all about the Wadsworth amendment modifying or repealing the fourth section, he would be against it, but with my amendment to the Wadsworth amendment he is for it.

Mr. PIERCE of Oregon. Yes; that brushes aside the last possible objection. The authors of this bill should not object if they mean to carry out the declaration of policy in the bill. If they mean to give a chance to shippers from the Mexican line to the Canadian boundary, a territory 1,000 miles wide where we have no water, where we cannot use trucks very much on these long hauls, where we are at the mercy of the railroads—if they mean to help us they will include the amendment. And how they do pile on the freight charges! They pile them on until they take almost more than the product is worth. I have seen wheat in my home city sell for 23 cents a bushel and seen the freight rate 20 cents a bushel for a haul of 300 miles.

I am for the Wadsworth amendment, and I am delighted that we have a chance to vote for it with the Murdock amendment which has been accepted by the author. I hope both these amendments will be adopted if it is the intention of the authors of the bill and the committee to carry out the purpose of the bill as expressed in its preamble.

[Here the gavel fell.]

Mr. PIERCE of Oregon. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the Murdock amendment may be again read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk again read the Murdock amendment.

Mr. CULKIN. Mr. Chairman, I ask unanimous consent that the Wadsworth amendment may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk again read the Wadsworth amendment.

The CHAIRMAN. The question is on the Murdock amendment to the Wadsworth amendment.

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 122, noes 107.

Mr. DIRKSEN. Mr. Chairman, I demand tellers.

Tellers were refused.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH] as amended by the amendment offered by the gentleman from Utah [Mr. MURDOCK].

The question was taken; and on a division (demanded by Mr. BULWINKLE), there were—ayes 131, noes 129.

Mr. LEA. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed Mr. LEA and Mr. WADSWORTH to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 147, noes 119.

So the amendment was agreed to.

Mr. HAVENNER. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HAVENNER: Page 253, after line 15, insert:

"(e) Without limiting the power and authority vested in the Commission, it shall be unlawful for any common carrier by water by means of coercion (whether directly or indirectly, or through the medium of an agreement, conference, association, understanding, or otherwise) to prevent or attempt to prevent any other such carrier from serving any port accessible to ocean-going vessels, situated on any improvement project authorized by the Congress, or through it by any other agency of the Federal Government, lying within the limits of the United States, at rates not unreasonably or unjustly discriminating against ports so situated."

Mr. HAVENNER. Mr. Chairman, this amendment seeks to restore a provision which originally appeared in the committee bill as subsection (e) of section 305 of the bill. As I understand it, the provision originally had the recommendation of a representative of the Interstate Commerce Commission and was included in the bill by the committee until the final print came out. It was then dropped from the committee bill and since that has happened my colleague and myself as representatives of the seaport of San Francisco have received telegrams from the State Board of Harbor Commissioners of California, the Chamber of Commerce of San Francisco and other bodies urging that this provision be restored to the bill.

They pointed out that the elimination of this provision would leave in effect the following provision of the Intercoastal Shipping Act of 1933:

And it shall be unlawful for any such carrier, either directly or indirectly, through the medium of any agreement, conferences, association, understanding, or otherwise, to prevent or attempt to prevent any such carrier from extending service to any publicly owned terminal located on any improvement project authorized by the Congress at the same rates which it charges at its nearest regular port of call.

It was pointed out by the State Board of Harbor Commissioners of California, and by the local bodies interested in the commerce of our port that the existing provisions of the law which I have just read to you have operated to the detriment of large seaports on the Pacific coast, of which San Francisco is the most important, and have been a source of considerable friction with up-river points, including a number of the interior small ports of California. It was pointed out that the phrase I have just read to you "at the same rates which it charges at its nearest regular port of call" is indefinite, and since the old Shipping Board once ruled that the level of the rates cannot be measured by the depth of the water, there is no limit to the application of this phrase. It might conceivably be used by an ocean carrier to make through rates in connection with a river carrier far up some navigable river which had been improved by authorization of Congress.

Under such interpretation, for instance, when the Central Valley project is carried out, and after completion of the Shasta Dam, it might be feasible again to navigate the Sacramento River as far up as Red Bluff, and it is conceivable that Red Bluff might demand the same rates as are

applicable to San Francisco by water lines in the intercoastal and foreign trades.

This is rate making by legislation. The propriety of extending so-called terminal rates to inland or some small outports should be left to the discretion of the regulatory body charged with administering the act.

I would like to point out again, I am merely asking to restore to the bill a provision which the committee originally approved, and a provision which is designed primarily to make it unlawful for any common carrier by water, by means of coercion—I would like to stress that this amendment is designed to prevent the employment of coercive methods by any water carrier, directly or indirectly—to prevent or attempt to prevent any other carrier from serving such a port as I have described.

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, while the gentleman from California [Mr. HAVENNER] speaks of this amendment as an effort to "restore" certain language, I want to assure the Members it is an effort to destroy what is the present law.

The present law was read to you correctly by the gentleman from California. It is section 205 of the Merchant Marine Act. It was originally included in the Intercoastal Shipping Act of 1933 and it provides:

> Without limiting the power and authority otherwise vested in the Commission, it shall be unlawful for any common carrier by water, either directly or indirectly, through the medium of an agreement, conference, association, understanding, or otherwise, to prevent or attempt to prevent any other such carrier from serving any port designed for the accommodation of ocean-going vessels located on any improvement project authorized by the Congress or through it by any other agency of the Federal Government, lying within the continental limits of the United States, at the same rates which it charges at the nearest port already regularly served by it.

This has been the law since 1933. It has been interpreted and shippers and carriers know what it means. The language of the amendment offered by the gentleman from California means nothing except that the old subject of water-carrier transportation from and to the smaller ports must be opened up again and litigated to some conclusion. No one, not even the gentleman from California [Mr. HAVENNER] can say what the words, "not unreasonable or unjustly discriminating against ports so situated" would mean as interpreted by the Interstate Commerce Commission. The amendment must be defeated to protect small ports against what is virtually a conspiracy to raise the rates that they now enjoy and destroy the work that has been done over the past 6 years.

Mr. Chairman, this is not solely a California proposition. There are some 30 ports along the Atlantic coast, as well as the Pacific, that are affected. Among these, and I want to call the attention of my Republican colleagues who represent these ports in Congress, are the following: Providence, R. I., New London, Conn., and Bridgeport, Conn.

Albany, N. Y., is also involved in this proposed amendment; Olympia, Bellingham, and Grays Harbor, Wash.; Astoria, Oreg.; San Diego, Sacramento, and Stockton in California. These small ports, by virtue of the Allin amendment, as it is commonly termed, which was adopted first in the Intercoastal Shipping Act of 1933, have been enabled to obtain equitable treatment in comparison with the great ports of San Francisco and others of that size.

When the Federal Government has spent, as it has, for example, at the port of Stockton, over $3,000,000 or $4,000,000 in developing a port, it wants to see traffic pass over those docks, and traffic will not pass if the steamship lines, through the conferences which they have and which are exempted from antitrust monopoly prosecution can get together and say, "No; we will not serve you except at a higher rate."

Steamship lines are now allowed to act more or less in restraint of trade for self-regulation of the industry through these conferences. The Allin amendment, which is the present law, is the only safety valve through which automatically small ports may receive protection in the matter of blanket rates as against the rule of steamship conferences. The law as it stands makes it unlawful for any water carrier to prevent or attempt to prevent another water carrier from serving one of these small ports at the same rates that it already serves the nearest port of call. That is right and fair, and any other rule would result in discriminatory treatment of these small ports.

Let me tell you also, Mr. Chairman, that this whole proposition has been litigated through the United States Maritime Commission, and this attempt to put this language in the bill is only an attempt to evade the decision of the Maritime Commission rendered on September 13, 1938, in the cases of the Sun Maid Raisin Growers' Association against the Blue Star Line and the Stockton Port District against the same line, in which it was held that the exaction of rates on cargo voluntarily lifted at Stockton higher than those contemporaneously maintained by them on like traffic from their terminal loading ports is unduly and unreasonably preferential and prejudicial and unjustly discriminatory. The amendment is an attempt to undo that decision and to undo the sound and carefully expressed thought of Congress enacted 6 years ago on this particular matter. As I said at the outset, it is an attempt to destroy.

As to the history of this question, the gentleman from California states he wants to restore a provision. Let me state to you that the exact language of section 205, which this amendment would emasculate, is now contained in the Senate version of this bill and was contained in H. R. 4862, the version that the gentleman from California [Mr. LEA] introduced here.

The subject matter of those provisions was taken up with Mr. Eastman of the Interstate Commerce Commission. It received his approval. The wording as found in S. 2009, Senate version, and H. R. 4862 was carefully gone over by his technical adviser, Dr. Morgan, who also approved it. Somewhere later along the line some influence induced another representative of the Interstate Commerce Commission to suggest that this language the gentleman from California [Mr. HAVENNER] offers might be better and it was inserted in committee print No. 2 of this bill. It might be better for someone, but not for the 30 ports that are involved, and it is for their cause that I plead here today.

I am happy to say that when I called the attention of the Committee on Interstate and Foreign Commerce to the language they used in their committee print No. 2 they were quite willing to remove it and leave the language of the law as it exists at the present time, section 205 of the Merchant Marine Act, for the protection of these small ports.

I ask you to vote down this suggested amendment because it will wreck the commerce which has now been developed and which is being developed at these smaller ports, and will overturn through back-door methods a decision which has been rendered, after due notice to all parties and after participation by all parties, by the United States Maritime Commission. [Applause.]

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from California [Mr. HAVENNER], because I believe it is a just and fair amendment. As was stated by him, it was in the original draft of this bill.

I wish to call the attention of the Members of this committee to the fact that you do not find the members of the committee here opposing this amendment. The only opposition offered so far has been from another good friend and colleague of mine from California, who has an undue advantage at the present time by reason of the state of the law. This amendment simply rectifies that situation. I presume if I had the advantage he has I would desire to maintain it as he does, but I am going to appeal to the

fairness of this committee this afternoon and ask you to vote to adopt the amendment offered by the gentleman from California [Mr. HAVENNER]. [Applause.]

Mr. IZAC. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise at this time to oppose the amendment offered by the gentleman from San Francisco, because this amendment is in the interest of San Francisco and that is why he is offering this amendment. Regardless of the wording of the gentleman's amendment and the wording of section 205, this is what it means. Before 1933, whenever a ton of freight was shipped to the west coast of the United States, and vice versa, to the east coast, the shippers were permitted to charge an extra $2 per ton unless they delivered the cargo at one of the big ports, the big ports being, of course, San Francisco and the like. So my little port of San Diego had to pay an extra $2 differential. The result was that shipping just about disappeared from the port of San Diego. We finally corrected that situation, and the bill as it stands at the present time does not permit this discrimination of placing an extra $2 charge, or whatever it may be, on the traffic going into the smaller ports. Whether they are inland ports or outports of small size does not make any difference. So that when you vote down this amendment of the gentleman from San Francisco you are simply doing this—you are making it impossible for the Interstate Commerce Commission to permit discriminatory tariffs in favor of the big ports and against the small ports.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentleman from California.

Mr. WELCH. Will the gentleman explain to the committee why he is not opposing an amendment which prevents coercion and makes it unlawful for any carrier to serve a small port?

Mr. IZAC. I may say to the gentleman that the practice was in the past that the steamship companies were perfectly willing to go in wholly to the big ports because then they did not have to pay anything for the small amount of freight that they had to deliver to the smaller ports, and naturally they were amenable to that type of legislation; but we are talking in the interest of the consumers and the shippers, and they are not in favor of continuing to pay a differential of $2 simply because their port happens to be a small one.

Mr. DARDEN. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentleman from Virginia.

Mr. DARDEN. The gentleman stated at the outset that the shippers charged an additional amount. It is the carriers.

Mr. IZAC. It costs the shippers an extra $2 because that is the tariff charged, the $2 extra tariff per ton of freight.

Mr. DARDEN. By the carriers.

Mr. IZAC. By the carriers; yes.

Mr. HAVENNER. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentleman from California.

Mr. HAVENNER. I would like to ask the gentleman if he has read the language of the amendment which provides that it shall be unlawful for any carrier or group of carriers to employ coercion to prevent any other carrier from serving a port of the kind the gentleman is referring to.

Mr. IZAC. Oh, I do not think they use coercion. I think they just have a conference and all the big ones get together and say, "If we can soak these little fellows another $2 a ton let us do it."

Mr. HAVENNER. But this amendment prevents that.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. BUCK. As a matter of fact, the law as it stands at the present time makes it unlawful to prevent or attempt to prevent such a requirement.

Mr. IZAC. That is right. The law as it stands at the present time is all right.

Mr. BUCK. And the addition of the words "by coercion" means nothing.

Mr. IZAC. Absolutely nothing, as I can see.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I would like to explain the situation of the committee with reference to this amendment. During the preparation of this bill the committee printed two or three prints such as you might call trial prints. We wanted as much criticism from those familiar with the facts as we could get. In one of those prints we had the amendment offered here from the floor. After its language was disclosed, opposition arose and we found it developed a live controversy. The committee had not had time to consider properly the merits of that conflict. The amendment was not essential to the purposes of the bill, so we concluded to eliminate the amendment and leave the law stand as at present.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAVENNER].

The question was taken, and the amendment was rejected.

Mr. KITCHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 241, line 18, after the word "itself", insert the word "not."

Mr. KITCHENS. Mr. Chairman, this afternoon I tried to strike out the word "not" at one place in this bill in order to equalize all modes of transportation and procedure before the Interstate Commerce Commission and was defeated. I now ask you to insert the word "not" in line 18, page 240, so as to equalize in a small way charter, leasing, and exchange rights of the different modes of transportation under the law, and give water carriers the same privileges and exemptions as other carriers are given in the bill.

You will notice, on page 240, subsection (d), of section 302, there is a provision which protects railroads, express companies, and motor carriers when they do transfer, collection, and delivery services on water in terminal areas. They are specifically excluded from regulation, and from line 15 on page 240, to line 2, on page 241, you will find an attempt to make assurance doubly sure by a further provision excluding the railroads and motor carriers from regulation when they use water facilities in their terminal areas.

My amendment is to place the word "not" after the word "itself" on page 241, line 18. The paragraph begins "for the purposes of this paragraph a person which, under a charter, lease, or other agreement, furnishes a vessel to another person, for compensation for use in the transportation of property of such other person shall itself be considered to be engaged in the transportation of such property as a contract carrier by water." This is clearly a discrimination and an intended discrimination against contract water carriers in favor of other carriers.

It reads a little further on that "the performance of services within terminal areas, and so forth, so far as contract water carriers are concerned, are banned unless authorized and regulated by Interstate Commerce Commission."

Mr. Chairman, most barge line operations are more or less seasonal. It is a common practice of every barge line, when its particular business is dull, to lease a number of its barges to some other operator or shipper during the dull season. The same is done with towboats. Surplus equipment is freely leased for long and short periods of time under an open market which has been developed in certain navigation centers.

This bill would absolutely destroy this practice by contract carriers in that it specifically provides as to contract carriers that wherever any person leases or charters any equipment such as barges, towboats, or other vessels to another person for use in the transportation of the property of such other person it becomes a carrier engaged in the transportation of the property and subject to all of the regulations set forth in the act. That this is utterly unfair is best illustrated by the fact that no such provision exists in the law today with respect to facilities of railroad carriers and motor carriers. Railroads have always been free to lease surplus equipment without such leases or such operations becoming subject to the jurisdiction of the Interstate Commerce Commission. It is a common occurrence for industrial

plants to lease locomotives and other equipment of railroads and for railroads to lease such equipment to one another. However, when it comes to providing regulation for water carriers this bill imposes such onerous restrictions upon it as to make this practically impossible in their case.

For example, a barge line may want to lease a towboat to some private company for a period of six months. Under this law it would automatically become a carrier subject to regulation as to the property which may be carried for such company. It would be responsible for the operations and its charges for leasing the equipment would be subject to regulation by the Commission. If it should lease the towboat to another carrier it would apparently be responsible for the acts of such carrier. The bill is capable of interpretation to the effect that the charges of the lessee for performing these services and responsibility for its operations would also be the responsibility of the lessor. This is done by the language in sections 302 (d) and (e).

Under the present law railroads can and do frequently make contracts with lighterage and floatage owners in various port terminals by which the other contracting party agrees to make delivery of goods for the railroads. They also employ local trucking or cartage companies for the same purpose. They also make contracts for handling of properties over wharves and docks by private stevedores and handling companies. These are all matters of private contracts which the Commission does not regulate. If the services are being performed directly or indirectly by a shipper patronizing such railroad, then the law provides that allowance for the service shall be no more than is just and reasonable, and the Commission, upon complaint, may determine what is a reasonable allowance. The same thing may be done by motor carriers under the Motor Carrier Act. However, under the proposed bill the services performed by the agent for a water carrier becomes subject to regulation, and the agents in such cases would have to file tariffs and make these subject to the regulatory act.

To illustrate, a local lighter operator might have a contract with the Pennsylvania Railroad to perform lighterage service. They can make this contract under such terms as they please, and the Commission would have no jurisdiction to regulate it. However, if they made a contract to make local hauls for a water carrier, they would have to file tariffs and become subject to regulation. The obvious unfairness of this is typical of a number of things that may be found in this bill.

Numerous commodities are transported by contract carriers by water on the Great Lakes moving to seaboard for export and most of these are fully exempt from regulation under the bill. However, the inland-waterways operation on the Mississippi River and its tributaries and also other inland waterways are also engaged in handling commodities of the same character in competition in the markets of the world with the commodities handled by the Great Lakes carriers. All these would be made subject to the regulatory provisions of the bill with some few exceptions which may be able to come within a very narrow definition of bulk carriers in section 303 (b) of the bill. This not only would affect the competitive producing areas but also producers of commodities in areas remote from the Great Lakes. As an example, the products of Kansas and Oklahoma which are today available for barge transportation through Kansas City and by rail barge through St. Louis and Memphis; nearly all of these would be regulated. Their ability to compete in the world markets with such commodities will certainly be affected by the regulation to the extent that it imposes burdens which are not imposed upon the Great Lakes carriers.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. KITCHENS. I yield.

Mr. WARREN. In other words, this is just another example of the discrimination and partiality that runs all through this bill. A man with a little barge who rents it to someone else is treated as a common carrier, while the railroads have a right to lease and rent their cars at will.

Mr. KITCHENS. Absolutely, and it justifies and is in line with the statements and efforts of the gentlemen who are in favor of this bill who admit that the main object of it is not necessarily to help the railroads but to remove the special, private difficulties of the water carriers, protecting them from their own destruction, the competition among themselves. They say that the water carriers are cutting their throats by their own competition, and they must be saved by coordination, a sort of liquidating appeasement. That is what Japan says about China and that is the declared reason Japan has gone into China—to clean up, protect, regulate, coordinate, and unify China for China's good, and keep Chinamen from cutting their own throats. Such humanitarianism savors of Mussolini in Ethiopia, and smacks of the Czechoslovakian Munich. This bill on every occasion strikes at, attempts to stifle and shackle water carriers and discriminate against them.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. KITCHENS. I will be glad to yield.

Mr. LEA. I will state to the gentleman that I have no objection to his amendment. I concede that this provision, as it stands, goes too far, and the gentleman's amendment will help to adjust it.

Mr. KITCHENS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken, and the amendment was agreed to.

Mr. PITTENGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PITTENGER: Page 245, line 3, after the word "time", strike out the period and insert a semicolon and the following: *"Provided, however,* That nothing in this part shall apply to contract carriers by water of commodities in bulk when such contract carriers transport, on open deck or otherwise, as incidental to their main cargo or cargoes, automobiles for common carriers by water."

Mr. PITTENGER. Mr. Chairman, under the present conditions—and I am talking now about the Great Lakes—contract carriers who carry bulk commodities, or who carry commodities in bulk, have developed the practice of carrying automobiles on their open decks for common carriers. The purpose of subsection (b) on page 244 is to exempt contract carriers by water of commodities in bulk from the provisions of this proposed law. The purpose of the amendment is to make certain that those contract carriers can continue to carry automobiles on the open decks without subjecting themselves to the provisions of this law that might bring them under the jurisdiction of the Interstate Commerce Commission. If they do not carry these automobiles as the present practice obtains, then the people who ship the automobiles, and the pepole who handle the automobiles, the people who unload them at the terminals, and the people who buy them must all pay an increased price, because they have lost this economy. The amendment simply provides that the present practice of these carriers of commodities in bulk may continue so that they may carry automobiles without making them subject to the jurisdiction of the Interstate Commerce Commission if this bill becomes a law. I offer this amendment on my own responsibility, because not more than a couple of days ago a dozen automobile dealers wired me calling attention to the fact that unless this provision is put in they may not be able to continue the arrangement they now have, of having the automobiles shipped on the Great Lakes where freight rates are economical, to the advantage of the people who buy these automobiles, to the advantage of those who handle them, and last but not least, to the advantage of the men who are employed at the terminals in unloading and taking care of them. I hope, in the interest of these people, that this amendment will be agreed to.

Mr. HALLECK. Mr. Chairman, I am convinced after careful consideration of this matter that this amendment should

not go into the bill. As the gentleman from Minnesota [Mr. PITTENGER] has pointed out, it frequently happens that on the Great Lakes a bulk carrier of coal would be going up the Lakes, say, to Duluth. If at that particular time some automobiles have been gathered up that cannot be handled in the regular boats provided for that purpose, a deal will be made by the person undertaking to transport the automobiles with a bulk carrier on the Lakes to put the automobiles on the top of the deck of the bulk carrier and haul them to the port of destination.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. In a moment. The exemptions for bulk carriers which have been written into this bill are all predicated upon the proposition that their operations are not in substantial competition with other carriers. Lake carriers of bulk commodities, as, for instance, coal, grain, stone, and ore, charge rates very much less than could be charged by other carriers, and there is no substantial competition. There is no reason to regulate them. But the carriage of automobiles is highly competitive. It is in direct competition with other carriers that transport automobiles by rail and by highway. To my mind the extension of this exemption to permit the carrying on of that operation would be directly contrary to the whole policy of the exemption of bulk carriers laid down in the bill.

I know that it may be said that the purchaser of these automobiles will be injured if this amendment is not put into the act. My information is that the man buying an automobile is generally charged a freight charge that is based on the rate by rail, so I seriously doubt whether or not any saving would be reflected to the purchaser of the automobile. But whether that be true or not, this amendment, as I said before, gets clear outside of any justifiable exemption based on a lack of competition, and for that reason should not be included in the bill.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes.

Mr. RYAN. Does the gentleman realize that his amendment provides for an exemption only in case the bulk carriers carry for common carriers, and that the common carriers who employ the bulk carriers to do this carrying are all under the regulation and subjected to the same regulation as other common carriers carrying automobiles in the same way on the Great Lakes and, therefore, the gentleman's argument falls to the ground, that they are not subjected to regulation now?

Mr. HALLECK. Of course, I do not agree with that. The carrying of these automobiles on any sort of vessel is the action of a common carrier. The purpose of the amendment is to exempt the carriage of these automobiles, and the effect of that would be to take that carriage operation out of the regulations of the act.

Mr. RYAN. But they are regulated now as common carriers because these bulk carriers would be employed by the common carriers.

Mr. HALLECK. That is not the purpose of the amendment. There could be no other purpose for offering the amendment than that the transportation of these automobiles would not be subject to the control of this act. It is sought to exempt them and to have the automobiles carried even as coal would be carried, without requirement for minimum-rate regulation provided in the act.

[Here the gavel fell.]

Mr. ALEXANDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment of the gentleman from Duluth because throughout the history of the Interstate Commerce Commission its major policy has been to increase rates—not lower them. We know if we give them control over shipping on the Great Lakes it will increase our rates in the Northwest, not only to the farmer but to the businessman in general, to the shipper, and thus to the consumer.

Visualize with me the incongruity of this Commission increasing rates 10 cents per ton on low-volatile West Virginia coal—this is something which you men from the East are interested in—when one of the carriers in the East experienced great difficulty, with the best of bookkeeping, to keep its earnings below 20 percent on its stock.

Before these increased rates were made effective, the Chairman of the National Bituminous Coal Commission, Mr. Hosford, gave due warning of their effect to this feeble body, the Interstate Commerce Commission, in these words:

> The power to propose variations in rates, to place fuel orders, and to dictate the prices for fuel coal, in too many cases in the past have been exerted to extract from a bankrupt industry the very last penny which could be exacted to fill the coffers of the railroads.

But what Mr. Hosford has said about coal has been repeated time and again in respect to the farmers of Minnesota and the businessmen of Minnesota and the Northwest. Minnesota farmers pay a 110-percent higher rate than the Canadian wheat grower, situated just a few miles north, across an invisible boundary line. This is the same Commission which lends its approval to these notorious excesses and abuses and now wants to take control of water transportation and busses.

Listen to these variations in what the farmer in Canada pays for freight on wheat and what the farmer in the Northwest pays: From East Grand Forks to Minneapolis, a distance via the Great Northern Railroad of 328 miles, the cost is $4.52 per ton, or a ton-mile cost of $0.0137.

From Winnipeg, Canada, to Port Arthur via the Canadian Pacific, 424 miles, or nearly 100 miles farther, the cost is $2.80 per ton, or a ton-mile rate of $0.0066, or 110-percent higher rate for our farmers than for the Canadian farmers, and we want to turn, or rather they and the railroads are asking us to turn control of water rates over to them, too.

It should occasion no surprise, with such distorted freight rates throughout the Nation, set up by the Interstate Commerce Commission, that our business has dried up. In my own district in Minneapolis the flour-milling business has gone down 5,000,000 barrels per year because of these high and unfair rates, and business is moving out, with increasing relief rolls, economic unrest, and bankruptcy, both private and public, staring us in the face. This is hard to understand in a land as favored as ours with its fertile soil, its forests and minerals, and wealth of natural resources.

Between the year 1924 and the year 1933, or a period of 10 years, United States wheat exports shrunk 1,333,000,000 bushels as compared with those of the Dominion of Canada. Think of it! Little Canada outshipping us 1,333,000,000 bushels.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. CULKIN. Is it not a fact that the Canadian farmer carries his grain from Saskatchewan, in the western country, to the seaboard at about one-half the cost that the American farmer pays on our railroads?

Mr. ALEXANDER. Yes; at less than half the cost. As a result of these pyramided freight rates the farmers of the United States, principally those resident in the State of Minnesota and the Northwest, including Nebraska and Kansas, were driven out of the European grain markets after the 1932 scourge overtook them. The value of these lost wheat exports was in excess of one and one-quarter billion dollars per year. Still we argue for such a bill as this, which would continue that situation and, what is more, would make it worse if allowed to pass without these vital and needed amendments.

Minnesota and the Northwest could easily pull out of the slump we are in if we were not hamstrung by the Interstate Commerce Commission; if we were allowed to utilize our matchless wealth of raw materials and natural resources; if we were not hung on the altar of greed and avarice, first by this Commission, then by the Pittsburgh-plus plan, and now by what is known as the multiple-basing-point system of price fixing on iron-ore products, of which we have a virtual monopoly, but have not been smart enough to make use of advantageously. A pertinent question for the people of the Northwest, and especially of Minnesota,

to ask would seem to be, "Where were our Congressmen and Senators when these plans and programs were being formulated? Why were we allowed to be so hamstrung, and how much longer are we to suffer in silence while our great natural advantages and resources are drained and dissipated?"

As an illustration of our situation, allow me to quote just one item and to show how the rates and regulations set up by the I. C. C. serve to bankrupt our citizenry and to deprive the eastern coal operators and miners of much business, because of the excessive prices we are forced to pay for their products, thus making the use of substitutes necessary.

You know the price of the Pocahontas varieties of stove-sized coal ranges from $3 to $3.20 per ton at the mine, whereas the residents of Minneapolis are forced to pay $14 per ton at our residences, or an increase of about $11 per ton between the mine and the consumer. What becomes of the difference?

The railroad freight tariff quotes a rate of $2.06 per ton from both the New River and Pocahontas mining regions to the lake transshipping ports of Toledo and Sandusky; plus 8 cents per ton for delivery to the lake steamer. The average distance from the above mining regions to the lake ports aforenamed is 400 miles. In railroad parlance this figures out a little more than 5 mills per ton-mile. Now I have a letter received from one of the steamship operators on the Great Lakes, quoting a rate of 45 cents per ton in full vessel load quantities. Now the expense of transfer at Duluth, reloading in railroad cars and including the railroad freight to Minneapolis and St. Paul, aggregates $1.81 per ton, or a total charge from the mines to the Twin Cities of $4.40 per ton.

What becomes of the difference? Well, theoretically, the difference of nearly $7 per ton goes to the railroads, because the I. C. C. has said the coal dealer must charge a price for his coal which is based on the all-rail freight rate from the eastern coal fields to Minneapolis, no matter what the actual cost of getting it up there is, so if the coal company happens to own the shipping and distributing facilities, as many of them do, they simply pocket the difference and neither the railroad stockholders nor the railroad employees get any benefit from the spurious artificial rate which is set up by the I. C. C. in the name of justice. If this is justice, then it is time we were praying to the Lord for a few new ideals or ideas in this great and good land of ours. [Applause.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 2 minutes, and I would like to have those 2 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LEA. Mr. Chairman, the gentleman from Indiana [Mr. HALLECK] stated very clearly the reasons for the exemption provided in this bill, and why automobiles should not be made an exception.

At the present time there is regulation of the common-carrier service on the Great Lakes. There is no reason why a bulk carrier who is entirely exempt from regulation, should be permitted to destroy the service of the common carrier. The bulk carrier does not conform to any schedules. He goes when it is convenient for him. He takes automobiles through contract with the common carrier, and the buyer of the automobile usually pays the common-carrier rate. So there is a profit that does not go to the consumer.

But the main thing involved is that we have established here a consistent, logical line of distinction between exempt carriers and common carriers. In this case in which water transportation is unquestionably cheaper than rail transportation, we have provided for an exemption. In other cases where there is substantial competition, we have provided for regulation. There is provision that the Interstate Commerce Commission, on the application of a carrier who shows his transportation is without substantial competition, may bring himself within the exemption. I hope the amendment will be defeated.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PITTENGER].

The amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 245, line 8, strike out the period, insert a colon, and add: *"Provided, however,* That this subsection shall also apply to both cotton, tobacco, and other agricultural commodities."

Mr. WHITTINGTON. Mr. Chairman, this is an important amendment and of vital interest to many members of the committee. The section under consideration provides for the exemption of contract carriers of bulk commodities from the provisions of title III of this bill. Contract carriers who carry oil and coal would be exempt from the provisions of this bill. I come from the cotton section of the country. Under the terms of the bill, baled cotton is not exempt, yet it can be carried on barges just as well as coal. Rice, sugar, and tobacco are not exempt, yet they may be carried on barges by contract carriers. I quote from the section:

This subsection shall apply only in the case of commodities in bulk which are (in accordance with the existing custom of the trade in the handling and transportation of such commodities as of June 1, 1939) loaded and carried without wrappers or containers and received and delivered by the carrier without mark or count.

In other words, contract carriers of coal, for instance, are exempt from the provisions of this act; but cotton baled in packages of 500 pounds on the average, which carry just as easily on barges, because it is wrapped, would not be exempt; neither would sugar nor rice nor tobacco, and there may be other agricultural commodities of like character.

As a result of the ruthless policy pursued by the railroads, the steamboats disappeared from the Mississippi River in the 1880's. During the World War we found we needed the river traffic and there was instituted the barge line. The barge line has gone along and has carried more and more freight—and I speak particularly with respect to the Mississippi River and the Ohio River. Now many municipalities and many communities have erected their barge-line facilities and terminals. If cotton is not exempt from the provisions of this bill, the small dealer would be discriminated against in favor of the large cotton buyer. Alexander Clayton and other large cotton buyers own their own private barges. The Standard Oil Co. owns its own private carriers, and the oil they carry is exempt.

Thus we are placed in the anomalous situation of appropriating millions of dollars for the improvement of our inland waterways, mostly for the benefit of the private carriers and bulk-contract carriers. The great steel companies, and rightly so, the great coal companies, the great oil companies use these facilities and are exempt from the provisions of this bill. Contract carriers of bulk commodities use them and are exempt from the provisions of the bill. Together they carry about 90 percent of the water traffic. The average citizen, the small-business man, as the gentleman from New York said the other day in speaking against the water provisions of this bill, will be discriminated against. I do not know whether they can carry cotton in every case by contract or not; I do not know whether they can carry sugar, rice, and other agricultural commodities, but my point is that if the coal operators, if the steel operators are permitted to carry cargoes in bulk by their own private boats, there should be no discrimination against the small-business man who is unable to have his own carriers.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes in order to answer questions.

The CHAIRMAN. Without objection, it is so ordered.

Mr. WHITTINGTON. I see no harm that can be done by giving the right to the contract carrier, if he wants to make such a contract, to carry cotton and other agricultural commodities. If he does not want to make a contract, he cannot be forced to make it.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WARREN. I merely want to observe again that the gentleman from Mississippi has pointed out another example of favoritism and discrimination in shipping against agriculture that runs through every line and paragraph of this bill.

Mr. WHITTINGTON. I agree with the gentleman's statement.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. SOUTH. I call the gentleman's attention to the fact that millions of pounds of wool produced in southwestern Texas shipped by water to Boston, Mass., cannot pay the rail rates; but even wool, packed in those huge sacks weighing two or three hundred pounds, will not come under the provisions of this bill. They ought to be included along with the commodities the gentleman mentioned.

Mr. WHITTINGTON. Wool should be included in the amendment. I may say further that freight rates are reflected to the consumers. If we can get a cheaper rate by water to the factories of North Carolina, South Carolina, and the ports of New England the consumers of the country would be benefited and protected. The same would apply to the consumers of sugar, rice, and other agricultural commodities.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. BULWINKLE. Will the gentleman tell me how he is going to get a cheaper rate by water to the factories of North Carolina?

Mr. WHITTINGTON. I answer the gentleman by saying that since the barge line was instituted, unquestionably we have gotten better rates on cotton, better rates on sugar, and better rates on rice, and I want to preserve the benefit of these facilities.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. KITCHENS. I may state that the Alexander Clayton Co., one of the largest cotton concerns of the world, has its private barge line. They transport cotton for $1.25 a bale from Camden, Ark., to New Orleans. The railroads, for the same haul, charge $3 a bale. The farmers should get the same benefit.

Mr. WHITTINGTON. As I stated, the private operator, the large carrier, is exempt from the provisions of this bill. We place ourselves in the indefensible attitude of allowing these privileges to these private concerns, but denying them to the farmers and the public generally.

Mr. Chairman, I ask that the amendment be adopted. [Applause.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that debate on this amendment close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. Chairman, the reason why cotton should not be excepted is the same as the reason given in reference to automobiles. We have a logical distinction between bulk carriage which usually involves particular equipment, so that traffic is not in substantial competition with the products carried by common carriers or contract carriers.

The bulk carriers on the Mississippi and elsewhere are largely privately owned and are not subject to regulation. That is true of the Standard Oil Co., for instance. May I call attention also to the fact that the Inland Waterways Corporation on the Mississippi River came into being on account of legislation which was enacted by this body. We believe it has done as well as circumstances permitted. It is a common carrier engaged in the carriage of cotton and other products of the South. It deserves the protection that this bill gives. If there are sufficient facts to support a decision for the exemption of cotton, that may be granted under section (e), page 246, of the bill.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Does the section to which the gentleman refers repeal the previous sections where it is stated that the products cannot be marked, baled, or wrapped?

Mr. LEA. No. Section (e) is not subject to that limitation. It provides an additional method of exemption. If the contract carrier can show that there is a requirement for special equipment and that the shipment in bulk is not actually and substantially competitive, it is entitled to the exemption. There is no hardship in not granting this exemption to any commodity. The Inland Waterways Corporation and others are giving good service there now.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. WHITTINGTON and Mr. WARREN) there were—ayes 48, noes 67.

So the amendment was rejected.

Mr. HARRINGTON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARRINGTON: Amend Senate bill 2009 by striking all of section 309, beginning on page 268, and entitled "Certificates of Public Convenience and Necessity and Permits."

Mr. HARRINGTON. Mr. Chairman, the purpose of this amendment is to protect the interest of the little fellow who wishes to engage in water transportation. The present language of the bill requires that he obtain a "certificate of public convenience and necessity" from the Interstate Commerce Commission before he would be licensed to operate. On the face of it this may sound simple and reasonable enough, but you know and I know it is a most difficult and expensive proceeding. It takes time, lawyers, and money—something the little fellow is never long on.

Let us see just what the little man is up against. First, he consults his local lawyer and writes in for an application blank. The burden is on the applicant to show cause why he should be licensed. Therefore, he must submit a brief setting forth his ability to serve the shipper and also the need of the shipper to be served. His application goes into Washington and then the fun, or the agony, begins.

Under the practice of the Interstate Commerce Commission, the railroads are advised that a new man wants to get into the transportation field and have they any objections. It so happens that the railroads maintain a high-powered battery of attorneys right here in Washington, hired by the year, for the purpose of objecting to any and all newcomers in the transportation field, and let me assure you they are expert objectors. They go into action, file protests, and demand hearings. It becomes a game of fire and fall back, of protesting and stalling, and the railroad attorneys are past masters of this technique.

The fight for his certificate develops into a long and expensive undertaking for the little man. The chances are that eventually, after practically exhausting his resources, he will be denied permission to operate, and if he should happen to win he probably has not enough money left to go into business anyway.

My friends, I ask you to support this amendment for two reasons: First, to relieve the little man of all this expense and agony before he is allowed to operate in competition with the billion-dollar railroad monopoly; second, to maintain the freedom of our inland waterways. These waterways are God-given, if you please. They belong to the people. Why in the name of justice should we pile up a mountain of red tape and difficulty and expense before the people are permitted to use their own precious heritage? [Applause.]

Mr. WARREN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa [Mr. HARRINGTON].

Mr. Chairman, from the first speech made in opposition to this bill on last Friday it has been characterized and successfully so as a railroad bill. Every word in it is in their behalf, and the bill has been presented, I am sure, just like they would like to have it.

Apropos of the amendment offered by the gentleman from Iowa [Mr. HARRINGTON] I wish to read to the committee a concrete case that has come to me in an unsought letter, dated July 22, from a prominent attorney in my district, Mr. Dink James, of Greenville, N. C. He says:

> I have just read in today's News and Observer the report of your speech in opposition to the placing of water transportation under the Interstate Commerce Commission. I certainly hope that you will succeed in your efforts to prevent this. If the people in the South and other sections know anything of the technical workings of the Interstate Commerce Commission, they would realize that in supporting a bill of this kind they are cutting their own throats.
>
> I am registered to practice before the Interstate Commerce Commission and know something of its procedure. I recently applied for a franchise for a small bus-line operator. While I am sure that this man's operations would not in the least affect any railroad or any other bus operator in this section, when I appeared at the hearing I was amazed to find nine of the highest-paid lawyers in the State appearing for various bus and railroad companies which protested the granting of the franchise. I learned from my contacts with these men that it was now the policy of the railroad and bus companies to protest every application. I am sure that they will fight every application for grants of authority to operate on waterways. The small-business man cannot stand this sort of opposition. The result of this attitude on the part of transportation agencies, and I believe the purpose now, is to create an iron-clad monopoly. The public and particularly the "small man" would be the sufferer.

Mr. Chairman, talk about securing a certificate of public convenience and necessity to operate, as the gentleman from Iowa said, on the God-given natural resources of this country! The gentleman from New York [Mr. CULKIN] read to the House a few days ago where in the very Articles of Confederation it was solemnly proclaimed that the waterways of this Nation would be free to all. I beg you to pause here this afternoon and visualize what we are doing when we set up here for the benefit of the railroads a monopoly on every single form of transportation that will finally strangle and engulf the producers and consumers of this country. [Applause.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. The gentleman from California [Mr. LEA] asks unanimous consent that all debate on this amendment close in 10 minutes. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. HARRINGTON].

Mr. Chairman, if it could have been said when consideration began that this was a bill for the benefit of the railroads, at the rate it is being loaded down with amendments and emasculated, it looks to me like when the House gets through with it, it will be a bill for the benefit of the water carriers, plus a whole lot of exemptions for agriculture.

Nature has not been very even-handed in the distribution of her favors. I live in a State that is a thousand miles from any deep-water port. We are shut out of those ports. We cannot get our products into San Francisco, Los Angeles, Houston, and Galveston, and we are almost shut out of Chicago. We have to depend wholly on rail carriers and the rail carriers are hog-tied to such an extent they are unable to put into effect rates that will get our products to the market.

The instance I am about to give you is a common one. We have in my home city the largest steel company between Chicago and the Pacific coast, owned by the Colorado Fuel & Iron Co.

A few years ago in anticipation of the railroad company running from my own city to Houston, the Colorado Southern, getting fourth-section relief, the railroad company having filed such an application, the steel company built a large warehouse in Houston to house the steel products which it expected to be able to ship to Houston when the railroad company got fourth-section relief to meet the water rates into the port of Houston from the Atlantic seaboard. After the application had been pending for 2 years it was denied. The steel company had to close its warehouse at Houston and withdraw clear up to Fort Worth and Amarillo in northern Texas before it could get away from the cheap backhaul of the water rates.

That is the story of the whole intermountain West. I want to say to my western friends here whose religion is opposition to repeal of the long-and-short-haul clause that we are absolutely shut in from the world. You have these cheap rates at the water ports, and are concentrating the population of the United States at the deep-water ports; 55 percent of the population living within 50 miles of them. You are drying up the interior of the country simply because our railroads are not permitted to meet the water rates. Our industries are going to the coasts.

There has been a lot of talk here about the long-and-short-haul clause today. Let me say that while I have no license to speak for the railroads, I undertake to say that if you offered the railroads of this country a choice between putting water transportation under joint regulation with them under the Interstate Commerce Commission, or repealing just one sentence of the Interstate Commerce Act, the long-and-short-haul clause, there is no doubt on earth which choice they would take. They would say, "Repeal the long-and-short-haul clause." On the other hand, if you made the same proposition to the water lines of this country there is no doubt about what they would do. If you put them up against the choice of joint regulation with the railroads or just having the long-and-short-haul clause repealed they would be running here to Congress with their tongues out to be put under joint regulation.

You talk about cheap water transportation. It is the greatest myth in this country. Inland water transportation in this country is the dearest form of transportation. It would be impossible if it were not for the fact that the bulk of cost of inland water transportation is paid for out of the Federal Treasury. [Applause.]

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, it is true that we have heard from the opponents of the bill about this being a railroad bill. Those gentlemen first started out citing Secretary Wallace, but when we cited the President of the United States they dropped Mr. Secretary Wallace.

In the two speeches we have heard in favor of this amendment we have heard about the small man being driven out of business, yet under the provisions of this bill, which apparently my friends have not read, the small companies come in under what is known as the grandfather clause if they were in business on July 1. That is a fair illustration of the opposition to it. I say to you that whether a man is a small man or a large man, if he goes into the public business of hauling passengers and hauling freight, he must have financial responsibility.

With our friends on the opposition is my good friend from Virginia, Judge BLAND, who comes up here with a bill similar to this, putting the water carriers under regulation.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Virginia.

Mr. BLAND. I would not say "similar to this" by any means. It relates only to inland carriers and puts them under the Maritime Commission.

Mr. BULWINKLE. What other provisions are there affecting the inland carriers?

Mr. BLAND. It has no provision with respect to certificates of convenience and necessity.

Mr. BULWINKLE. Would the gentleman just let anybody haul? Would he just let anybody go loose at any time?

Then there is the gentleman from New York, who always opposes regulation.

Now another situation has arisen. All of a sudden yesterday the gentlemen who will vote against this bill in any form discovered that they ought to do something for labor and, therefore, they wanted to do something for labor. Now we have gotten down to doing something for the small man.

There possibly will be consideration of the wage and hour bill introduced by my colleague from North Carolina if the Rules Committee reports it out. Let us see what happens to that. That does something to labor. Let us see how they stand on it when it comes up here in the House, and I would like to check up on them.

Mr. Chairman, you can talk all you please about the railroads doing this but I say to you that the President of the United States and other men who have studied this question are the ones that did this. You can put all the demagoguery you please into it but that does not make one particle of difference in the end, for sooner or later the citizens of this country will realize that where you regulate a carrier it is but fair and just that all doing a competing business be regulated or else that regulation be taken off entirely. So, I say to you who voted for that amendment a little while ago, when your shippers at home find out what the additional freight will be they will be lobbying, too, not in the interest of the railroads but in their own interest. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HARRINGTON].

Mr. TERRY. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read as follows:

Strike out all of section 309, beginning on page 268, and entitled "Certificates of public convenience and necessity and permits."

Mr. TERRY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TERRY. This amendment refers only to water carriers as far as eliminating the certificates of convenience and necessity is concerned?

The CHAIRMAN. The Chair understands that the amendment refers only to section 309, which has to do with water transportation.

The question is on the amendment.

The question was taken; and on a division (demanded by Mr. HARRINGTON) there were—ayes 46, noes 79.

So the amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 240, commencing at line 15, strike out the paragraph ending on page 241, line 2, and insert, "persons acting in the capacity as agents for common carriers by water, subject to this act, in providing towage, floatage, lighterage, car, ferry, or transfer or terminal operations, shall not be deemed common carriers by water, but each such operation shall be deemed to be that of the carrier for which it is performed."

Mr. WADSWORTH. Mr. Chairman, may I state to the chairman of the Interstate Commerce Committee and the members of the Committee of the Whole that I propose to offer three amendments here, all of them directed toward the practical application of regulation of water carriers on the inland waters. They are intended—and I hope the members of the Interstate Commerce Committee will believe it—to relieve these carriers of utterly useless, needless restrictions now contained in this bill, restrictions placed upon them such as are not placed upon any other form of transportation.

Now let us consider this first one. On page 240, commencing at line 15, you will find language which relates to the performance of delivery service by water within terminal areas. It permits transfer, collection, and delivery services by water in terminal areas, but by a very, very clear implication it does not permit them outside a terminal area.

Now, I want to call the attention of the chairman of the committee to this situation and see if I am wrong about it. I doubt if the committee ever gave it any consideration. I will have to cite an example of the practices of inland water carriers. For example, A and B are both common or contract carriers, as the case may be, subject to this act. A has a tow of barges bound downstream on the Mississippi River, and that tow is delayed by weather conditions. It may be a couple of days late. This same A also has in New Orleans Harbor a tow of, we will say, six barges already laden, waiting to be forwarded north-bound by the powerboat which is bringing the downstream barges with it, and which is 2 days late. A does not want to delay the upstream voyage of the barges he already has loaded in New Orleans.

He has no other towboat of his own except the towboat which is bringing downstream barges, which is 2 days late. What does he do? He communicates with another carrier named B, who has an idle towboat at New Orleans, and he contracts with carrier B for the use of that towboat to start those barges, already laden in New Orleans, upstream to get them going on time. Then when the upstream load of barges meets the downstream load of barges the two towboats interchange and B's contracted towboat takes the downstream-bound barges back to New Orleans and the other towboat goes on upstream with the barges which left New Orleans on their way upstream.

This bill prevents that, and why it does I cannot understand, for this bill provides that B's towboat, which is contracted for by A, is itself a common carrier. As a matter of fact, it is merely hired for a special purpose for a short time, and things like that are happening on the inland waterways hundreds and hundreds of times.

My amendment proposes to strike out this language, substitute new language which will limit the regulation at least within reasonable bounds, and it reads:

Persons acting in the capacity as agents for common carriers by water, subject to this act, in providing towage, floatage, lighterage, car, ferry, or transfer or terminal operations, shall not be deemed common carriers by water, but each such operation shall be deemed to be that of the carrier for which it is performed.

I cannot understand why anybody should object to this.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEA. Mr. Chairman, I think we must realize the practical necessity of the section of the bill which the gentleman proposes to strike out. This simply provides for the regulation of those who take part in terminal-area delivery. We have express companies, for instance, who have their own vehicles for delivery, the railroad companies, who may have pick-up-and-delivery service in the terminals, the water carriers, who may also have delivery, and the motor vehicles. It is important to place regulation of those various carriers so that there will not be duplication of the regulation of each type. For instance, if a man operates for the express company, he comes under part 1; and, if for the water company, under part 3. That preserves the same regulation for the carrier and its terminal delivery. It is just a convenience, and it is in accordance with the present practice of the railroads and the express companies, and will be true of these forwarding companies. It is a convenient method of handling a practical situation.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. WADSWORTH. Will the gentleman deny that this particular provision as applied to water carriers inflicts on them a grave inconvenience and prevents them from carrying out a perfectly sound commercial practice?

Mr. LEA. It is purely optional. They are not required to do this service.

Mr. WADSWORTH. Oh, well; in effect, you forbid them.

Mr. LEA. Oh, no; it is optional. They can do as they please.

Mr. WADSWORTH. In the case I cited, what is the contractor to do. He cannot hire the towboat from B because that towboat under your provision becomes a common carrier.

Mr. LEA. That towboat service is exempt in the bill.

Mr. WADSWORTH. The towboat belongs to another carrier who has it surplus for the moment. It is a practice that obtains all the time. One of the virtues of water transportation is its flexibility, and this bill is written to destroy its flexibility.

Mr. LEA. I am advised by the drafting service that this bill does exactly what the gentleman wants to have done. This provision is a practical, desirable arrangement to facilitate business as actually conducted today. There is no innovation about it.

Mr. WADSWORTH. But the gentleman is confining his remarks to terminal areas.

Mr. LEA. Then, if you go beyond the terminal area——

Mr. WADSWORTH. This towboat which I mentioned has to go 200 miles up the Mississippi River.

Mr. LEA. And, therefore, it is subject to regulation.

Mr. WADSWORTH. But it is hired by another man and the other man is the carrier. He is the bill-of-lading man, not the B towboat he took over. Why should you have two common carriers doing the same operation?

Mr. LEA. I hope we do not.

Mr. WADSWORTH. You do under this bill.

Mr. LEA. I think not.

Mr. WADSWORTH. The B towboat becomes a common carrier when it leaves the terminal area.

Mr. LEA. I have had no opportunity to read the gentleman's amendment. On account of interruptions I have heard little of what he said. That is one of the difficulties we have. Amendments, technical in nature, are passed up to us before we have any opportunity to examine them. Ordinarily, as in this instance, the amendments are not presented for inspection before offered. The committee desires to consider carefully every question brought before it, but we are at a disadvantage here when amendments are thrust on us and we are asked to pass on them in a moment. If the Committee of the Whole will stand by the Committee on Interstate and Foreign Commerce, we will do everything we can to bring just and practical legislation out of this bill. I hope the amendment will be defeated.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. PATRICK. I have asked this time from the chairman of the committee so that I may ask the gentleman from New York [Mr. WADSWORTH], who is an industrious member of the committee, if in these months the committee has been considering the bill he has ever pointed that out and brought it to the attention of the committee until this moment?

Mr. WADSWORTH. I had no chance to. I was not a member of the subcommittee. I had no chance to study this thing at all until the bill was prepared. I was comparatively ignorant of inland water transportation, but information has come to me pointing out one thing after another which discriminates against the flexibility of inland water transportation, and this is one of them, and I have tried to correct it. That is all.

Mr. PATRICK. Did not the gentleman from New York have every opportunity that every other member of the committee had?

Mr. WADSWORTH. The subcommittee held no hearings that were printed, and I dare say never studied the subject.

Mr. LEA. Indeed we did study it. I have asked a representative of the drafting service, and he advises me that what the gentleman's amendment proposes is already taken care of in the bill. I ask that the amendment be defeated.

The CHAIRMAN. The time of the gentleman from California [Mr. LEA] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. LEA) there were—ayes 56, noes 66.

So the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 241——

Mr. WADSWORTH. Mr. Chairman, the amendment I intended to offer on page 241 was the exact complement of the amendment which has just been rejected. The amendment which was just rejected applied to common carriers. Had it carried I would have offered an amendment on page 241 which would have produced the same result with respect to contract carriers. So I ask permission to withdraw that amendment, and I offer another amendment which I ask the Clerk to read.

The CHAIRMAN. Without objection the amendment referred to will be withdrawn.

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. WADSWORTH] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 247, line 24, after the word "harbors", strike out the remainder of the paragraph ending at line 2 on page 248, and insert "or (2) to transportation by small craft of not more than 100 tons carrying capacity or not more than 100 indicated horsepower, or to vessels carrying passengers only and equipped to carry no more than 16 passengers, or to ferries, or to the movement by water carriers of contractors' equipment employed or to be employed in construction or repair for such water carrier, or to the operation of salvors."

Mr. WADSWORTH. Mr. Chairman, this paragraph, found on page 247, is one which authorizes the Commission to exempt from the provisions of this regulatory act certain types of vessels.

My especial interest begins in the language at line 24, at the bottom of the page. An examination of that language discloses the fact that a 50-ton vessel is to be exempted, or a vessel carrying passengers only, and equipped to carry no more than 16 passengers.

May I again call the attention of the gentleman from California to the situation that exists in life on the coasts and on the rivers, which I think, with all due deference, the committee does not understand. I contend that the language is faulty and brings under regulation carriers which it is inconceivable the Congress should desire to regulate.

I call attention particularly to the provision, "or by small craft of not more than 50 tons carrying capacity, or to vessels carrying passengers only and equipped to carry no more than 16 passengers."

This will leave under strict regulation a mosquito fleet of literally thousands of small luggers on every lake, bay, sound, river, bayou, and canal in continental United States. Many of those boats are what are known as family boats. They may exceed 50 tons capacity. They are the sole property and means of livelihood of hundreds of families. Father and son navigate them together and propel the craft. It would also include little power boats of 50 horsepower or less, which do not carry any freight at all, but which do tow the barges of others in what are termed "short trades." Those would include luggers towing oysters from beds in Virginia to Maryland ports, small towboats towing oil or sugarcane to refineries, boats towing pulpwood to paper mills, and a thousand other small trades generally accessories to local industries. Many of those boats operate wholly within a State, but are in competition with others that move across State lines and occasionally they themselves make an interstate voyage. They offer little competition to common carriers by railroad or motor vehicles or other water carriers. Their inclusion would burden the administration of the law without commensurate public gain. In fact, there would be no public gain.

I propose that there should be exempted small craft——

Mr. LEA. Will the gentleman yield? There was so much confusion that I did not understand what the gentleman was

saying. I wanted to find out the purpose of the amendment. Is one purpose to change the exemption to 100 tons?

Mr. WADSWORTH. To 100 tons; yes.

Mr. LEA. And what is the other?

Mr. WADSWORTH. Transportation by small craft of not more than 100 tons carrying capacity or not more than 100 indicated horsepower, or vessels carrying passengers only, and equipped to carry no more than 16 passengers, or to ferries, or to the movement by water carriers of contractors' equipment. That latter does not go in commerce. That is a private operation—not commerce.

Mr. LEA. Of course I have no authority from the committee to concede that amendment——

Mr. WADSWORTH. Are the heavens about to fall?

Mr. LEA. The chairman is willing to agree to that amendment. I think that a larger exemption is justified.

Mr. WADSWORTH. I faint! I swoon! [Laughter.]

The CHAIRMAN. Without objection, the amendment offered by the gentleman from New York is agreed to.

There was no objection and the amendment was agreed to.

Mr. SOUTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOUTH: On page 238, beginning in line 20, strike out all of title II, part III.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Does the gentleman desire to reach an agreement as to time on this amendment?

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that an agreement as to time cannot be made at this stage because there has been no general debate.

The CHAIRMAN. An agreement can be reached by unanimouse consent.

Mr. LEA. I would be pleased if we could limit debate to 1 hour on this amendment, to be divided equally between those for and against the amendment.

Mr. BLAND. Mr. Chairman, reserving the right to object, I think we ought to have some understanding as to the number of speeches to be made within the time. To be limited to 2 minutes is hardly worth the effort of rising.

Mr. SOUTH. Let me say, Mr. Chairman, that I am going to ask unanimous consent to proceed for 10 minutes. I do not know whether it will be granted, but I am going to submit the request.

Mr. LEA. Mr. Chairman, I modify my request and ask unanimous consent that debate on this amendment and all amendments thereto be limited to 1 hour and 15 minutes.

Mr. HINSHAW. Reserving the right to object, Mr. Chairman, that is to be divided equally between the proponents and the opponents?

The CHAIRMAN. The Chair will use its best endeavors to see that the time is divided equally.

The Chair will state for the information of the gentleman from California that 20 Members have already requested time.

Mr. BLAND. Mr. Chairman, I suggest to the gentleman from California that time be limited to 2 hours.

Mr. LEA. Mr. Chairman, after canvassing the situation I wonder if the gentleman from Virginia would not agree to 1 hour and 40 minutes.

Mr. BLAND. That would be agreeable to me.

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour and 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SOUTH. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

Mr. BULWINKLE. Mr. Chairman, reserving the right to object, and I shall not if the same privilege is granted to the chairman of the committee, the gentleman from California [Mr. LEA].

The CHAIRMAN. I do not believe we can couple the two requests.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes.

Mr. SOUTH. Mr. Chairman, I think everyone understands in the first place that the amendment I am offering is not a committee amendment, although I am a member of the committee. I think everyone understands also that the purpose of this amendment is to strike from the bill title II, part III, which is the part having to do with water transportation, or placing water transportation under the regulation of the Interstate Commerce Commission. This is the sole purpose of the amendment.

It is true that the Wadsworth amendment was adopted after it had been amended by the Murdock amendment, and I voted for it. I and others who view this problem as I do voted for it because we did not, of course, know what the final outcome of this amendment to strike out the title would be, and we felt that it would improve the bill if water transportation finally were left in.

As I said a while ago in my brief remarks, railroads have not fared quite so badly as they would have you believe, although their plight is an unhappy one, just as is the plight of steel, the building industry, agriculture, and other industries in this country. They will get well, so to speak, if and when other industries get well. They will all come out together or they will all sink together. Do not forget that. If you undertake to make agriculture foot the bill, as the Secretary of Agriculture, and many others from farm sections, including myself, believe will be the case, if you take from agriculture, already sick and depressed, in order to make railroads completely well, you are going to leave agriculture in a deplorable condition. Following the line of thought just a little further as to how railroads have fared, I find in Barron's, the National Weekly, of July 24, 1939:

Railroad gross revenues for June were 12 percent ahead of gross for June of 1938, according to preliminary reports from 91 class I railroads. Freight revenues were up 13.9 percent and passenger revenues up 9.4 percent.

As to the condition of agriculture, in yesterday's Washington Evening Star, looking through it at random, I found the following headlines all on one page:

Lower prices reduce farm-buying power.
Farmers' cash income declines 3 percent from year ago.
One percent drop from May level reverses usual trend.
Downward trend shown by trade in cotton futures.

Mr. Chairman, what is the situation? The railroads that are asking the farmers to bail them out are improving rapidly. Their receipts are 14 percent over last year, as shown in this statement. Agriculture, that you are asking to bear a large portion of the burden, is constantly going downward and, as stated a while ago, we have seen lower prices recently on some farm commodities than have been seen for many years.

They tell us that if the railroads are to be regulated, all forms of transportation must be regulated. That will not hold water, for this reason: The railroads were regulated beginning in the 1870's for one reason, and that was because they had been guilty of abuses such as rebates, discriminations, and overcharges, until it became necessary in the interest of the public to regulate them. No one will deny that. The water carriers have gone along attending to their own business and charging fair rates. I sat on the committee throughout weeks and weeks of hearings and not a shipper came in and said, "We must have relief from abuses or high charges by the water carriers." Who asked for this? The railroads of the country demanded this regulation and in my opinion for one purpose, in order that they might get at least a substantial part of the traffic that is now going to the water carriers. How can they do that? There is only

one way by which they can get it, Mr. Chairman, and that is to raise the cost of water transportation. It does not take a smart man to come to that conclusion.

I remember when I was a boy my daddy had three Jersey milk cows. One of them had to be regulated? She was breaking into his fields and the neighbors' fields and pasture, so we had to make her carry a heavy yoke. The other two cows were not regulated; yet they were competitors for every blade of grass and every bundle of cane we threw out. It is true that the cow carrying the heavy yoke was sometimes last to get there, but that was a condition which she brought about herself. Nobody ever suggested that we put a yoke on the other two cows to place them all on a fair competitive basis. [Applause.]

And so it is in this case. If the railroads had not been guilty of flagrant abuses, they would not have to be regulated and certainly it would be unfair, unwise, and unjustifiable to place a ball and chain, as it were, upon the water carriers of the country, with the result that the farmers, ranchmen, and shippers generally will have to pay a higher transportation cost.

Here is another fallacious argument. They tell you with great eloquence that competing forms of transportation have free highways and free waterways, no part of which the railways enjoy, but that is not so. I read again from the Wall Street Journal of July 24:

> The Interstate Commerce Commission has approved an arrangement whereby the Seaboard Air Line Railway will utilize motor trucks for the transportation of less-than-carload traffic on a large part of its system.
>
> Receivers of the Seaboard were given Interstate Commerce Commission permission to operate in interstate and foreign commerce as a common carrier by motor vehicle on various routes in Virginia, North Carolina, South Carolina, and Florida.

Who built these highways? The railroads did not, any more than the trucks and busses. The truth about the matter is the railroads now own a great many of the busses and trucks and they are running over the same roads they howl about their competitors using.

I was amazed at the information furnished by my good friend and colleague, the gentleman from Texas [Mr. MANSFIELD], who probably knows more about the water question, including water carriers, than any other man in Congress and who, incidentally, is vigorously supporting this amendment, when he showed me figures as to the amount of train-ferry traffic handled in the ports of this country.

When he called my attention to it, I recalled the arrangement at the New York harbor. They do the same thing at many other ports throughout the United States. Thus the railroads are using ports that are improved and maintained at Government expense, just as the water carriers are doing.

Mr. MANSFIELD. Will the gentleman yield?

Mr. SOUTH. I yield to the gentleman from Texas.

Mr. MANSFIELD. I call attention to the fact that 4 years ago the train ferry traffic in the port of New York was valued at $14,560,590,000.

Mr. SOUTH. Fourteen and one-half billion dollars in New York alone.

Mr. MANSFIELD. While the traffic handled by all ocean bottoms combined, of this Nation and all nations of the world, was $13,224,034,000.

Mr. SOUTH. I thank the gentleman. This shows you that the railroad crowd who are now crying for help—the men who are responsible for the appointment of the Committee of Six, composed of three members of railroad management and three members of railroad labor, have not given us a fair picture of the existing situation. I heard a great deal about the Committee of Six from the time the hearings opened until they closed. Some of the sponsors of this bill had the audacity to ask the committee to adjourn until the railroad bill was finished and placed before the committee. Not a member of the Committee on Interstate and Foreign Commerce will deny that statement. So I say to you that this is a railroad bill. The newspapers freely referred to it until quite recently as "a bill for the relief of the railroads."

Mr. SIROVICH. Will the gentleman yield?

Mr. SOUTH. I yield to the gentleman from New York.

Mr. SIROVICH. Was there any gentleman amongst the six who was a member of the merchant marine organizations of the Nation?

Mr. SOUTH. Not a man, I may say to the gentleman from New York, who was not connected with the railroads. There were three from railroad management and three from railroad labor.

Mr. Chairman, they tell you something else that will not hold water. I do not blame my colleagues for wanting to hurry this bill through as quietly as possible. We ought to have a day to discuss this amendment alone. They tell you that water traffic wants to be regulated.

Senator WHEELER, who sponsored this legislation in the Senate, said in debate on May 22:

> The water carriers do not want any regulation at all. They want everything thrown wide open. * * * Generally speaking, the industry has almost universally said, whenever we talk regulation with them, "We do not want regulation. It will be more detrimental and costly to the consuming public if we have regulation."

It is true that General Ashburn, president of the Federal Barge Line, did not oppose regulation when he appeared before our committee, but the general had this to say about the railroad lobby:

> Now, who wants this Federal Barge Line sold? The railroads and the railroad employees.
>
> Well, they have passed their propaganda around to such an extent that it is pitiful. I want to say this to this committee, that if the railroads got the Inland Waterways Corporation; if they got all of the profits it made, it would not pay them the cost of the propaganda that they put out to kill it. They have been spending millions of dollars, just throwing them away, and poisoning the mind of all whom they can reach by any method whatsoever. * * * They do not know that we made $1,105,000 last year, a nice profit for us, but immaterial to the railroads.
>
> The railroads have spent double that amount of money trying to put us out of business, and if they had the $1,105,000 it would not be a drop in the bucket. * * * All of these resolutions are prepared, in my opinion, by the Association of American Railroads.

As pointed out in Secretary Wallace's letter to Speaker BANKHEAD:

> The Transportation Act of 1920, the Motor Carriers Act of 1935, and the bills now before Congress together reflects a new departure in public policy from that which prevailed before 1920. The basic purpose of regulation, as embodied in the granger legislation of the 1870's and in the act to regulate commerce of 1887, was to protect the public against extortionate rail rates, unjust discriminations, and undue preferences. This policy of preventing abuses was continued for many years without significant modification. With the passage of the Transportation Act of 1920, however, the public began to assume responsibility for the financial condition of the railroads.

I seriously question the wisdom of this departure, which has been an invitation to the railroads to come to the Government for protection and assistance, rather than to improve their service and meet legitimate competition, as other industries have been forced to do. I submit also that we need less regulation, now that additional forms of transportation have developed, particularly motor carriers, and a greater mileage of inland waterways, than was the case in the 1870's when the regulations of the railroads was first undertaken.

To my mind, one of the most important phases of this subject, and one which I fear is often overlooked, is the lessening of the amount of goods shipped when rates are increased. This is especially true as to many perishable agricultural products, which cannot be moved at all where rates are prohibitive. In other words, by an attempt to insure the railroads a large profit on each shipment, we force the price of the article so high as to prevent its moving in commerce. Thus all forms of transportation must suffer by a lessening of traffic, and producers and consumers suffer also.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, all during the last session of Congress the proposition grew that there must be some relief for the railway structure of this country if it is to be saved from bankruptcy. The proposition was well

founded on the fact that more than one-third of the railway systems in this country were then and still are in bankruptcies and receiverships and that many of them are not making their naked operating costs. The chief work of this session of Congress, as announced by the administration and by the newspapers of this country, was to be a transportation reorganization bill which would rescue the railways of this country from the plight in which they found themselves and stabilize them, if possible, and put them on a self-sustaining basis.

I may say here that if we fail, some day Uncle Sam is going to have thrown into his lap a $25,000,000,000 railroad structure. If this ever happens, it is going to cost the Federal Treasury not less than $1,000,000,000 a year to sustain that railroad structure and keep it going.

The first consideration with which we are confronted is that the railways of the country, which still carry 90 percent of all the freight traffic in the country and can carry the other 10 percent without buying another engine or freight car, are not only the chief and only indispensible agency of transportation in this country and not only in normal times but even more so in an emergency, as was amply proved during the World War, but they represent an investment five times larger than that of all the water lines, all the bus lines, and all the truck lines combined. The American people have $25,000,000,000 of their savings invested in this railway structure, which was not built and maintained, like the waterways and highways, at a cost of billions of dollars to the taxpayers.

After a blare of trumpets all last year about the vital necessity, above all other things, of there being passed by this Congress a law to reorganize and stabilize the railways and include all forms of transportation under one joint regulation, here we are in the last days of this session considering a bill which is being emasculated and hamstrung against the railways, with Members vying with each other on the floor in abusing and condemning them. If we keep it up, by the time we get done with it, it seems to me, the best way to help the railways under this bill would be to strike out the enacting clause.

Listening to a lot of the speeches made the last 2 days, one would conclude they want to destroy the railroads, not save them.

The railways will agree to your striking the enacting clause out of this bill, as I told you a little while ago, if you will repeal three lines in section 4 of the Interstate Commerce Act which have them hog-tied and hobbled so they cannot run their own business. You cannot compare the railway systems of this country with any other industry—automobiles, steel, oil, or anything else—as is being done by Members, because it is the only industry of the country that has nothing whatever to say about running its own business, while all the others go scot free and soak the customers for all the traffic will bear. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I expect to support this bill. I want to congratulate the Committee on Interstate and Foreign Commerce, one of the great committees in the House, for what it has accomplished in bringing out this legislation for our consideration. I think it is a good bill and that it should receive the support of all who are sincerely interested in solving the transportation problems of this country, insofar as they can be solved by legislation.

I have been surprised during the course of the general debate at the emphasis which has been placed upon one particular section of the bill, namely, that relating to the regulation of some types of water carriers. This is only one of many important provisions of the bill, and it seems to me that the discussion has magnified its importance very greatly. I certainly have nothing but the friendliest of feelings for water transportation and for our inland waterway system. The greatest threat which has been offered to that system, as far as legislation is concerned, was the Pettengill bill, which has been passed twice by this House during recent years. I think that if the Pettengill bill had been passed it would have greatly crippled, if it did not entirely destroy, our inland waterway system.

I am one of a comparatively few Members of the House who spoke and voted against that bill on both occasions when it was before us. I felt, when the Pettengill bill was before us, that we ought not to permit the railroads to use unfair methods of competition against the waterways, and today it seems to me equally important that we do not permit the waterways, through a lack of regulation, to offer unfair competition to the railroads. Yet I find that many of those who opposed the Pettengill bill in order to protect the waterways are unwilling to give the railroads an opportunity for equal protection against unfair water competition. It seems to me that this bill is perfectly fair to both rail and water carriers; and I am supporting the provisions relating to the regulation of water carriers on that basis.

Another feature of this discussion which has surprised me somewhat has been the attempt to bring farmers into this picture. I represent a purely agricultural district; and my farmers, like all other farmers, are intensely interested in transportation. As far as water transportation is concerned, however, I think it can safely be said that farmers are less interested in it than any other group of our population. And yet many who have opposed the regulatory provisions of this bill, as far as waterways are concerned, have tried to make us believe that this is a matter of great concern to farmers. No evidence has been offered in support of this proposition, and none can be.

Aside from a comparatively small number of farmers who have access to waterway transportation for nonperishable farm products, there is no farmer who derives any direct benefit from water transportation, or any indirect benefit except such as may accrue to the country as a whole.

In the first place, there are only a comparatively few of the many farm products of this country which can be shipped by water; and by that I mean particularly by our inland-waterway system. The producers of fruits and vegetables, of dairy products, of livestock and livestock products are not interested in waterway transportation, because it is too slow and out of date.

I do not know to what extent cotton may be carried by water from local shipping points to terminal markets, and am, therefore, not going to make any observations on that particular subject.

Aside from cotton, however, the only class of farm products which can be transported and which is being transported on our inland-waterway system is grain. The transportation of grain by water carriers, however, is done in bulk, and, therefore, there is nothing contained in this bill which would in any way deprive a grain farmer of any advantage which he may have today through his ability to transport grain by water.

Furthermore, as already indicated, unless a farmer happens to have a local grain market which has access to water transportation to a terminal market, there is no way by which he can directly profit from water transportation. I mean by that that there is no way by which he can receive any better price for his product. The price of grain is determined at terminal markets, such as Kansas City, Omaha, Minneapolis, Duluth, Chicago, and St. Louis. The price which the farmer receives at the country elevators is the price at the terminal market less the freight.

There is no possible way by which even 1 percent of the grain in this country can be carried from local marketing points to the terminal markets by water. Whatever may happen to the transportation of grain after it gets to the terminal market is not ordinarily of any concern, as far as the price to the farmer is concerned. However, even if it should be assumed that some markets have a definite advantage and can pay a little higher price than would otherwise be the case because of the facilities for water transportation for export or to milling centers, that advantage would still be unaffected by this bill, because such transportation is in bulk, and, therefore, not subject to regulation.

In view of the foregoing, I am unable to understand how any farmer, excepting possibly the cotton farmer, and

for whom I am not attempting to speak, can be adversely affected by the provisions for the regulation of water transportation contained in this bill.

On the other hand, any measure which tends to help the general transportation problem of this country is of benefit to the farmer. In the main, the farmer is dependent upon rail transportation for the marketing of his products. To some extent he is dependent upon highway transportation. This bill will not injuriously affect highway transportation and will help rail transportation. To the extent that it will permit railroads to continue giving good service on their existing mileage, it will be beneficial to farmers.

Many Members representing agricultural districts have had some experience in recent years when railroads attempted to abandon branch lines. I know that in every such case which came to my attention farmers generally were very much distressed and disturbed about this loss of transportation facilities, and in many cases opposed in every way possible the abandonment of such branch lines. I know that in other cases the abandonment of these lines has very adversely affected the marketing facilities of farmers.

One more thing I would like to mention, and that is that in every rural community traversed by a railroad the railroad is the largest taxpayer. It contributes its share to the upkeep of schools and highways and other governmental functions, and to that extent takes something away from the crushing burden of taxation on farm land. This is an additional reason why the farmers generally are interested in the welfare and prosperity of the railroads.

I sincerely hope that no one from the agricultural sections of this country will be misled by arguments which have been advanced to the effect that the provisions of this bill regulating water transportation are adverse to the interest of the farmer. On the contrary, if the passage of this bill strengthens our transportation system, it will be of great direct benefit to the farmer. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I listened with great interest to my distinguished colleague from Kansas [Mr. HOPE] when he called attention to the fact that the farmers are not interested in water rates. It would be highly interesting, if the fears of a great number of us here were to be realized and this bill would be passed, to see how my good friend would explain to the farmers the increase in rail rates which inevitably would occur when the one legitimate club the farmer has over increasing rail rates would be taken away from him.

Mr. Chairman, I have listened with a great deal of interest and attention to a colloquy which occurred between two members of the committee, my distinguished and beloved friend from California, Mr. LEA, and my equally distinguished and beloved friend from New York, JIM WADSWORTH, concerning a very simple little matter which was referred to by one of the gentlemen as being technical, and by this auditor considered as being highly practical.

As a matter of fact, an analysis of what will happen if this amendment is not adopted is best to be found in what might result if I were to ask some distinguished Philadelphia lawyer or New York banker who had been reared in the environs of a great city to come down and attempt to operate the ranching enterprise with which I have been so long connected.

Mr. Chairman, the amendment offered here to strike this from the bill, if this were a bill that we were going to be called upon to finally vote upon, would be eminently satisfactory to me and would be satisfactory to all those who want to see every single kind of major transportation means given a fair trial and an opportunity to live, and I am for this amendment in the faint hope that these fellows will keep rushing this thing and in the conference will come to their senses and bring out a railroad bill and let water alone.

Mr. Chairman, if there is any agency qualified to undertake rate making in connection with water carriers, it is the Maritime Commission now in existence, and why this great committee has not considered, in view of the fact it wants to regulate waterways, the high propriety of putting water transportation under a commission which understands it, as contradistinguished to a commission which certainly does not understand it, I cannot understand.

When we get down to brass tacks with reference to this situation, I have come to the conclusion that we have spent an awful lot of time without going into the practical matters which will inevitably ensue if this amendment is not adopted. This bill is shot full of pernicious and noxious provisions which will hamper and annoy and, finally, destroy water transportation of various kinds. Five minutes will not permit me to go into all of that.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, to say I was surprised at the statement of my good friend from Kansas that the farmers of the country are not interested in freight rates, puts it mildly.

Mr. HOPE. Mr. Chairman, will the gentleman yield right there?

Mr. WHITTINGTON. Yes.

Mr. HOPE. The gentleman certainly misunderstood me if he understood me to say that the farmers are not interested in freight rates. I said they were not interested in water transportation.

Mr. WHITTINGTON. If the gentleman does not understand that the matter of water transportation involves freight rates, I am sure he does not appreciate the importance of the legislation under consideration. If there is anybody in the country who is interested in reasonable freight rates, I think it is the farmer, and I believe that the growers of wheat, corn, cotton, rice, sugar, and tobacco, the so-called major commodities, are interested.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I would like to make a statement——

Mr. HOPE. Just for a short question.

Mr. WHITTINGTON. I want to reply to your statement in which you said that no farm commodities are transported by waterways, by calling your attention to the fact that as a result of modern refrigeration, the people of New York, Philadelphia, Baltimore, and Washington are enabled to utilize the magnificent fruits grown on the Pacific coast that are transported on our intercoastal waterways through the Panama Canal.

Now, Mr. Chairman, the bill under consideration contains three parts, one with respect to the regulation of railroads, the second with respect to motor carriers, and the third with respect to the regulation of water carriers.

I think the members of the committee must have assumed that there would be opposition to the regulation of waterways. The proposal was made in 1920 and it failed. So this bill has been formulated on the theory that the so-called regulation of waterways may be eliminated from this measure without in anywise emasculating all the provisions for the regulation of railways and motor carriers.

Now, who is asking for the regulation of waterways? Certainly not the farmer. Are the inland-waterway carriers asking for the regulation? The only reasonable argument for their regulation that has been presented by the members of the Committee is that in some cases, in intercoastal traffic, there are some unfair practices. That traffic is under the regulation of the Maritime Commission. This Commission knows about water problems. The remedy is not to take it away from that Commission and put it under the supervision of the Interstate Commerce Commission, whose docket is already crowded—it sometimes takes them years and years to make an investigation—but to amend existing law and provide for the regulation of such traffic by the Maritime Commission.

No one who speaks for the inland waterways has asked for the regulation of water traffic and, concretely, there have been exempted from the provisions of this bill 15 percent of the

inland-waterway traffic. The contract carriers of bulk commodities and the private carriers have been exempt. Now we propose to regulate the remaining, substantially 3 percent, of the traffic, and, in my judgment, this would not be in the interest of either the producers or the consumers of the country. We have had too much regulation. We tried to regulate the coal industry and we must admit that we failed. There is no demand for the regulation of our inland waterways and I respectfully submit that the provision should be stricken from the bill. [Applause.] In extending my remarks, as I have stated, title III, which is part III of the bill, should be stricken. It undertakes to solve the problem of the railroads by regulating waterways. As I have just stated, regulation is not always the remedy, and when it is invoked the remedy is frequently worse than the disease.

If the regulation of waterways is included, railroads would not be benefited. This is not my view, but it is the view of outstanding transportation authorities, including Mr. Eastman, of the Interstate Commerce Commission.

Again I repeat that the farmers of the country, and especially in the Mississippi Valley and Great Plains, are more interested in rates than almost any other class of our citizens. For years they have pleaded for the improvement for navigation of the lower Mississippi River, the upper Mississippi River, and the Missouri River. They know that the construction of the Panama Canal has adversely affected transportation rates in the great bread basket of the Nation. I dissent most emphatically with the view that farmers are not interested in water transportation. They are interested in cheap rates, reasonable rates; they are interested in low rates; they are interested in fair and just rates.

The lumber markets of the Pacific Northwest, the fruit markets of Oregon and California have been promoted by cheap coastal water rates. Refrigerated vessels provide for the transportation of fruits from the west coast to the east coast. Vegetables are also transported by boats. A shipload of watermelons arrived in Washington just a day or two ago. Not only the farmers, not only those engaged in agriculture, but the consumers of the country get the benefit of low rates. Water rates mean low rates. The control of waterways mean high rates; it means the elimination of waterways.

THE ADMINISTRATION

It is said that the administration favors the bill. I shall not repeat. I have heretofore, in the general debate, pointed out that the Secretary of War, the Secretary of Agriculture, and the Chairman of the Maritime Commission oppose the regulation of waterways. They were appointed by the President; they constitute an important part of the administration.

INLAND WATERWAYS

Congress has appropriated something like $250,000,000 in the improvement for navigation of the Ohio River and its tributaries. Millions of dollars are being spent now in improving the upper Mississippi River for navigation. Large sums are being expended primarily at the request of the Western States in the improvement of the Missouri River for navigation. All know that the demand for these improvements was cheaper transportation.

I emphasize that some 18 percent of the traffic of the country is water-borne; 15 percent is exempt from the provisions of the bill; private carriers are exempt; contract carriers of bulk products are exempt. Only 3 percent of the water-borne traffic remains and it is said that only this 3 percent will be regulated. Congress appropriates for all water carriers. If only 3 percent, the individual farmer, the individual businessman, are subject to the regulation of the pending bill, Congress would be in the attitude of continuing appropriations for improvements for navigation for the benefit of those who are able to own their own carriers and the contract carriers of a few favored commodities. I believe in equal treatment for all commodities whether manufactured, agricultural, or raw materials.

REGULATION

There is probably some competition in the radio industry, but there is no demand for the regulation of that industry. Regulation should be in response to a public demand. There is no material demand for the regulation of the inland waterways. The Government has heretofore subsidized inland waterways in an effort to restore river traffic along the Mississippi River and its tributaries. Regulation would thwart the intent of Congress and the will of the people.

As I said a few moments ago there are those who believe that regulation is the solution of all economic problems. The coal industry was in difficulties. Regulation was advocated. We passed not one coal bill, but two bills for the regulation of the coal industry. It is generally admitted that a monumental mistake was made. It should always be remembered that the aim of those who advocate the regulation of waterways is the raising of rates and the raising of water rates means the elimination of water traffic.

Contract carriers of bulk commodities and private carriers are eliminated in the pending bill, but the real bill will be written in conference. I remind the Representatives of the Great Lakes to "beware of the Greeks bearing gifts."

Mr. BLAND. Mr. Chairman, every amendment that has been offered, every speech that has been made, demonstrates the fact that this waterway section ought to be stricken out of this bill or the whole bill sent back to the committee for further study. There is one objectionable phase of this bill that has not yet appeared in debate or in any of the amendments that have been brought to the attention of the Committee. There has been a repeated statement on the part of the proponents of this bill that it has nothing to do with foreign commerce. I said in my first extension of remarks that a gentleman connected with a prominent shipping company had advised me that upon reading this bill and trying to determine what it did and how extensive its scope was he was compelled to admit that he could not determine. He said that his company could not prepare to go further into building vessels for foreign commerce until there had been determined what regulations are to be imposed, with full information as to the extent to which American vessels engaged in foreign commerce will be affected. I call attention to the fact that the uncertainties faced by water carriers are recognized by the bill draftsmen themselves. They are confessedly unable to tell what part of existing law is abrogated by the bill, what part modified, or what part remains in effect. They repeal specifically only a few provisions of existing statutes. The carriers must guess as to what laws apply to them and which commission has authority in the premises. Uncertainties and confusion arise with respect to vessels engaged in foreign commerce. Some of these uncertainties will be due to the fact that some vessels at the same time will be carrying both foreign and interstate cargo, and in some respects the cargo will be subject to laws administered by the Interstate Commerce Commission and in some respects to laws administered by the Maritime Commission. Furthermore, a carrier who may engage in foreign commerce will, as to the transoceanic part of his commerce, be subject to the Maritime Commission, and as to the intercoastal part he will be subject to the administration of the Interstate Commerce Commission. He will be faced with the duty of complying with two different forms of regulation, which will either mean increased expenses to him or will mean that he will decide to engage only in strictly transoceanic service. These matters cannot help but have profound effect on the export and import business of the United States, touching the business of producers and the pocketbooks of the consumers in every part of the United States.

Let this bill be studied to find out what is in it before we carry it into law.

It is claimed that the bill is not intended to affect carriers in foreign trade. In fact, these carriers will face many uncertainties in connection with this legislation. These uncertainties will continue for long periods. The effective date of title II of the bill is postponed, and may be further postponed by the Interstate Commerce Commission until July 1, 1941. In the meantime, and for a long period thereafter, the shipping industry will be uncertain as to its duties and its rights, its responsibilities and its burdens, under the new legislative set-up.

No one can foresee the exact effect on foreign-trade carriers of placing domestic water carriers under one regulatory body and the foreign carriers under another.

Section 302 (i), page 243 of the bill, limits the jurisdiction of the Interstate Commerce Commission over coastwise and intercoastal carriers to traffic between ports of the United States. Under decisions of the Interstate Commerce Commission, interpreting similar language in the Interstate Commerce Act, such carriers will be prohibited from establishing transshipment rates with carriers in foreign commerce. Shipments now moving under such transshipment rates will move under combination rates which, in all instances, will be higher than the rates of direct lines. The result will be that such shipments will be transported by the direct lines, which are largely foreign-flag lines. The business will be lost by our coastwise and intercoastal carriers. The result will be that while the coastwise carrier is in a protected trade, he loses his business to a foreign-flag carrier just the same as if the foreign-flag carrier were admitted to the coastwise or intercoastal trade.

Section 302 (i) (3) (B) provides that the jurisdiction of the Interstate Commerce Commission in case of a movement to a place outside the United States shall apply only insofar as the transportation by water takes place from any place in the United States to any other place therein prior to transshipment at a place within the United States for movement to a place outside thereof, and, in case of a movement from a place outside the United States, shall apply only insofar as such transportation by water takes place between places in the United States after transshipment at a place within the United States in a movement from a place outside thereof.

The American carrier in foreign trade cannot know whether transshipment will be interpreted as meaning delivery to or from the custody of the carrier, its agents, or terminal in foreign commerce, or as meaning the placing of goods on board vessel or the discharging of goods from the vessel in foreign commerce. Section 17 of the Shipping Act, 1916, places jurisdiction of terminal operations in the Maritime Commission. The carrier, at least until after long experience under the new legislation, will not know to which Commission he is subject in connection with terminal operations involved in transshipment.

Furthermore, such carriers in foreign commerce handle considerable cargo under through bills of lading between foreign ports with transshipment at ports in the United States. Will it be contended that since such shipments move under through bills of lading issued by the foreign-trade carrier but involving domestic transportation, the Interstate Commerce Commission will have jurisdiction of the carrier engaged in foreign commerce. In such cases there is obviously involved the question of jurisdiction over trucking and lighterage from the pier of the initial carrier to the pier of the on-going line.

The trans-Atlantic carriers and the intercoastal carriers, which by arrangement for through rates are able to compete with the lines operating directly between the ports on the Pacific coast and Europe, will be uncertain as to their ability to continue such competition. As stated above, unless transshipment rates can be continued, traffic will be lost to direct foreign-flag lines. The intercoastal and trans-Atlantic carriers will not know whether they can effect a proper division of the through rates, transfer charges, or customary brokerages. They will not know whether they can have any proper basis for settlement of damages for joint account in connection with such through operations. Furthermore, they cannot know whether they will be able to meet direct competition which takes on certain classes of freight collect.

Intercoastal and foreign-trade carriers, under existing law, must file rate agreements for approval under section 15 of the Shipping Act, 1916. They are in danger of great confusion as to what will happen to these agreements in connection with the pending bill. Their business activities will be disrupted and they will lose business to direct carriers pending the working-out of the legislative plan. For example, it may be that only pooling agreements will be subject to the Interstate Commerce Commission under the bill while other agreements of carriers—including interstate carriers—may, at least to some extent, remain subject to the jurisdiction of the Maritime Commission. These are not necessarily questions which can be solved by more detailed drafting of the pending legislation. They cannot be fully solved except through long experience, and meanwhile the shipping trade suffers by the continuing uncertainty.

As stated above the uncertainties and confusion also arise because the same vessel will at the same time be carrying both foreign and interstate cargo. In some respect the cargo will be subject to laws administered by the Interstate Commerce Commission and in some respect to the laws administered by the Maritime Commission. Furthermore, a common carrier by water subject to the bill, who may be engaged in carrying foreign commerce will, as to the transoceanic part of the carrying, be subject to the Maritime Commission, but as to the intercoastal or coastwise part of the carrying be subject to the Intersate Commerce Commission He will be faced with the duty of complying with two quite different forms of regulation, which will either mean increased expenses to him or will mean that he will decide to engage only in strictly transocean services. These matters cannot help but have profound effects on the export and import business of the United States, touching the business of producers and the pocketbooks of the consumers in every part of the United States.

A carrier transporting goods in foreign commerce is subject to the reparation provisions of section 22 of the Shipping Act, 1916. Insofar as the intercoastal or coastwise portion of that foreign trade is concerned, such carriers will be subject to the provisions of section 307 of the bill, which covers not only the interstate commerce by water but foreign commerce by water when it takes place within the United States.

I have stated that the uncertainties faced by water carriers are recognized by the bill draftsmen themselves. They are confessedly unable to tell what parts of existing law are abrogated by the bill, what parts are modified, and what parts remain unaffected. They repeal specifically only a few provisions of existing statutes and by general language in section 320 (a) repeal other provisions of existing law not specifically designated. No one can tell what law will be applicable to any particular carrier or to any particular transportation until after a long period of experience. This in itself indicates the dangerous plan of the legislation. The carrier must guess as to what laws apply to him and which Commission has authority in the premises. At best, the carrier will be subject to two regulatory agencies with respect to much of the transportation conducted by it. To make the uncertainty more complete, the bill contemplates that the Interstate Commerce Commission conduct its activities without respect to the different types of transportation concerned. The water carrier will have no definite agency, not connected with railroads or motors, on which to depend for authoritative interpretation or information.

S. 2009 in section 302 (i) (3), page 243, limits the scope of the rate regulation of water carriers so far as foreign commerce is concerned only to that portion taking place within the United States before and after transshipment from the vessel that actually operates in the foreign trade.

Thus, if merchandise moves in continuous transit from San Francisco to Liverpool, if it were to be transshipped at New York, the rate from San Francisco to New York would be subject to regulation but not the rate from New York to Liverpool. If the cargo moved without transshipment, no part of the rate would be subject to the proposed regulation.

In the example cited, the undoubted effect of such regulation would be to deprive the domestic water carriers of their participation in favor of the unregulated transportation without transshipment.

In the example cited, also, there is no American line operating from San Francisco to Liverpool, the only direct lines being under foreign flags.

There are a number of American lines that operate principally in the foreign trade but carry some cargo between intermediate American ports. If they are subsidized, they have to refund the subsidy on the domestic revenues. Take, for example, the American President Lines' round-the-world service. They transport considerable cargo between New York and San Francisco. If their rates are regulated upward so that this business is diverted to other forms of transportation, the continuance of their round-the-world service is made even more difficult.

Attention is directed to section 313, page 274, which would give the Interstate Commerce Commission power to prescribe uniform accounting methods, require reports, financial statements, and so forth. This requirement is more extensive than rate regulation, because it is administered so as not to be limited to the regulated part of the carriers' business, but if any part of a company's business is regulated, all of its activities, whether or not relating to shipping, become subject to the uniform accounting requirements. See *I. C. C.* v. *Goodrich Transit Co.* (224 U. S. 194), wherein such records were required even of amusement parks owned by a carrier.

Section 304 (d), page 250, recognizes that American producers that have to supply American markets on a regulated rate will be at a decided disadvantage in competing with foreign producers shipping upon an unregulated rate. Take, for example, wood pulp, the production of which in the Southern States is now being encouraged but which must compete with pulp from Sweden. The foreign producer already has the advantage of lower production costs, and it is questionable whether the American industry could survive against further disadvantages in the transportation rate. Similarly affected would be newsprint paper, china clay, and so forth. Furthermore, the foreigner would know exactly what it cost the American producer to market his product and could undersell him every time. It is true a permissible exemption is provided, but before this could be invoked, the market might be lost, and it is questionable whether the American consumer would go to the trouble to try to obtain and retain the exemption when the foreign product is available without such trouble.

There is nothing proposed in the bill that would prevent any large consumer from owning its own ships to transport its own raw materials and finished products, but only the larger companies have the volume to make this practical. Thus the large companies would operate under what would amount to an unregulated rate, and their smaller competitors would have to patronize the regulated common carrier. The larger companies would know exactly what it cost the smaller companies to market their product, but the smaller companies would not have the same advantage. Already several large companies are considering buying ships to avoid the increased costs anticipated from the proposed regulation. Such a trend would injure all forms of transportation.

The least that could be done would be to grant a permissive exemption by amending section 303 (e), on page 246 of S. 2009, by inserting after "water", in line 7, "when such transportation is competitive with a private carrier or carriers or."

It has been asked, if all these things are true, why do some water carriers favor S. 2009?

The answer is simple. All water carriers were unanimous that the repeal of the fourth section of the Interstate Commerce Act would put them out of business. They are now told that if they do not let S. 2009 pass, the old Pettengill bill will be revived and passed.

The railroads regard S. 2009 as equivalent in effect to the repeal of the fourth section. Some water lines believe they could live longer under S. 2009 than if the fourth section were repealed; the remainder do not believe Congress can be persuaded to do either.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I regret I must differ with the Committee on Interstate and Foreign Commerce and its distinguished chairman, the gentleman from California [Mr. LEA], with reference to some of the provisions of this bill.

With the exception of part 3, it is a meritorious measure, particularly the provision granting assistance to the railroads from the Reconstruction Finance Corporation. We all realize that the railroads are in bad financial straits, and, regardless of who is responsible for their present condition, the security and economic stability of the country make it imperative that the railroads continue to operate. But, Mr. Chairman, while conceding the necessity of assisting the railroads, we should not adopt the policy of robbing Peter to pay Paul. The stabilization of the railroads of the country should not be made at the expense of our domestic water-borne commerce and indirectly to the foreign commerce of the country. I do not believe this matter has been studied with a view to the actual harm and irreparable damage this bill will do to our intercoastal, coastwise, and inland water carriers under the provisions of part 3.

With all due respect to the committee, it is not just to the Members of Congress or to the people of the country to bring a bill of this magnitude covering many complicated questions and dump it on the lap of Congress to study it in a brief 24 hours before its actual consideration. In all fairness to the Members of Congress, they should be given more time to study it, and the people should be given an opportunity to know more about it.

The CHAIRMAN. The gentleman from California [Mr. HINSHAW], a member of the committee, is recognized.

Mr. HINSHAW. Mr. Chairman, in connection with the statement that no inland water carrier was interested in this legislation or wanted the legislation, I read from the statement of Mr. Clemens, who was the vice president of the Mississippi Valley Barge Line Co., and next in importance on the Mississippi River to the Federal Barge Lines. He states as follows:

> At the present time the Commission is without power to establish minimum rates where one of the carriers in a joint through rate is a water carrier, and this bill proposes to add that power to the existing power of the Commission. In this respect we believe that it is only fair. That is to say, if the all-rail rate between Columbus, Ohio, and Memphis, Tenn., for example, is subject to a minimum rate power on the part of the Commission, we have no objection to the grant of similar power of the Commission in respect of joint rail and water service between those points contemplating the use of our line in conjunction with the rail line. In fact, we think that sort of regulation would be helpful to our operation.

Further on he said:

> We believe that such a grant would be very helpful in stabilizing rail and water rates and in the prevention of destructive competition or anything like discrimination among various shippers or localities.

Previously to that it was stated that two-thirds of this common-carrier business was joint rail and water, and that the other one-third was not regulated, and he would not be averse to that being regulated.

As stated the other day when I was before the committee, on this Mississippi River System, 63,000,000 tons are handled annually, and of that, 5,000,000 is handled by common and contract carriers. Half of that, or 2,700,000 tons, is handled by the Federal Barge Lines and the balance distributed among a number of smaller carriers. Two-thirds of it is evidently already regulated. This bill proposes to bring in the other one-third of the common-carrier traffic and the contract traffic that is not bulk in character, and that is what the fight is about.

It does not amount to much, so far as the total tonnage is concerned, but it is believed just and equitable that it be included. I do not see that there is any particular reason for anybody to get excited about this portion of the bill. I cannot see why it is being fought so bitterly unless there is some peculiar advantage the gentlemen fear to lose. As far as tonnage is concerned, it is not very great. I read a letter the other day to the committee from the Baker Tow Boat Co. of Alabama in which they were complaining about certain competitive practices of the Federal Barge Lines. By bringing them all under the regulation of the Interstate Commerce Commission, so far as minimum rates in interstate commerce are concerned, this phase can be eliminated, and these small companies can have a better chance to survive. It is my present belief that this bill will do more good for the small water carriers as well as the larger water carriers than any other similar piece of legislation that can be produced by this Congress, and I think the motion to strike out should be defeated.

The CHAIRMAN. The gentleman from Montana [Mr. O'CONNOR] is recognized.

Mr. O'CONNOR. Mr. Chairman and members of the Committee, the railroads of the country are indispensable. We must have them. We must have them not only in peacetime, but we must have them in wartime. They are in financial stress. We are either going to give them a square deal with other means of transportation, or they will go into the hands of the Government and we will have Government ownership. We can take either one horn or the other.

As the very best evidence of what the Government thinks of their financial condition I want to read to you a statement made by Jesse Jones, which appears in Barron's, the national financial weekly:

> A new plan to reduce railroad fixed charges, with the aid of Federal loans, has been proposed by Jesse Jones, Administrator of the new Federal Loan Agency. Under the Jones plan, an offer would be made to holders to turn in their bonds in return for a cash payment, plus an amount of preferred stock, which along with the cash would equal the par value of their bonds. For example, the cash offer might be $600 for each $1,000 bond, in which case $400 of preferred would complete the offer. The cash payment would be loaned to the railroads by the R. F. C. on the security of new 4-percent bonds. While permitting a reduction in fixed charges, the plan would not result in any reduction of total railroad capitalization.

Now, when the Government recognizes the fact that the railroad companies are in that condition where stock is absolutely worthless and bonds are worth only 60 percent of their face value in cash, it is time for Congress to commence to take notice.

I am not defending the railroads. The present operators of railroads are now compelled to answer for the sins of their fathers committed 60 or 75 years ago when they exploited this country, but nevertheless we are confronted with a condition which demands action to protect not only employees but innocent investors as well.

In addition to that, I want to call attention to the fact that these railroads throughout the United States employ over a million men and women who do the work. They wear your cotton, I will say to the distinguished gentlemen from the South. They eat flour from the North. They eat beef, pork, and mutton from the West, and they eat corn products from the Middle West. We must maintain these railroads so that they can be continued in employment, and besides we need the railroads.

I will say this to the gentleman from Texas—he referred to the Northern Pacific Railroad, that its earnings had increased 12 percent over last year. The gentleman is correct, but its earnings before and now are still in the red, and its common stock is selling from $9 to $10 a share, when the par value of the capital stock is over $100 per share. Now, all people are not suckers. If this stock was worth any more than $9 or $10 a share, they would be buying it.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SOUTH. Will this regulation result in higher rates? If not, why do the railroads want it, and if it will, who will pay it?

Mr. O'CONNOR. Here is the point. It is up to the Government to put all transportation systems into one and regulate them all. Raise a little here and lower a little there.

Mr. WARREN. Why did they not put air in here?

Mr. O'CONNOR. I did not write this bill. Here is the point. Give the railroads a chance for existence. This transportation can always be depended on; airplanes crash, trucks get stuck, but trains carry on.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oregon [Mr. PIERCE] is recognized.

Mr. PIERCE of Oregon. Mr. Chairman, I want to say in reply to my colleague from Montana [Mr. O'CONNOR] that the railroads not only run their own business but they come mighty near running the State and the Nation. It has been said that they run the State from which the gentleman comes, too.

Mr. O'CONNOR. They do not.

Mr. PIERCE of Oregon. The essence of this whole thing is to freeze this water into the capitalization of the railroads and make it possible for them to earn dividends on it. When the gentleman talks about the stock of the Northern Pacific Railroad being worth 100 cents on the dollar at one time, I am amazed. It is said to be all water, not representing any investment.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE of Oregon. I yield.

Mr. WARREN. It is the only aggregation in this country that has not been shaken down during the so-called depression.

Mr. PIERCE of Oregon. Sure. The original act creating the Interstate Commerce Commission was passed for the benefit of the railroads. The farmers did ask for it, but they did not get much out of it. The only thing that the shippers got out of the Transportation Act of 1920 was the long-and-short-haul clause, the fourth section. The rest of it was for the benefit of the railroads, to freeze into the capitalization ten or twelve billion dollars. That has been repeated a hundred times everywhere, and it is true, and they would have got away with it if the trucks had not come. Now the trucks have come, and the railroads have reached out and put them under the Interstate Commerce Commission. If they can wipe out the water transportation also, what will be their plan? Why, to increase the rates on water transportation, as they have on trucks, clear up almost to the railroad rates. They have put on their own truck lines and their own passenger-bus lines. They control the transportation of this country and put rates on sufficiently high so that they can earn dividends not only on the actual investment but on all the water frozen in, with the consent of the I. C. C.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. PIERCE of Oregon. I yield.

Mr. SOUTH. Does the gentleman know that out in the western country where railroad rates are high, for reasons sufficient to the railroad companies, but unsatisfactory to the people, the trucks are tied to that railroad rate and they are today paying 58 percent more than they are paying in this congested country in the East where it is hilly and there are many curves, and the traffic density is great on account of the density of population, as opposed to that traffic in the Great Plains area of the West?

Mr. PIERCE of Oregon. Precisely.

Mr. SOUTH. And that is because the railroad rate is the yardstick.

Mr. PIERCE of Oregon. Precisely. If they can make a yardstick out of the railroad rates and put it in force on the trucks and the water lines——

Mr. SOUTH. That is what they are doing.

Mr. PIERCE of Oregon. If they freeze all that water into their capitalization they have got to earn their dividends on it. That is the heart of the problem. The essence of this bill was actually before us when the amendment was offered by the gentleman from Arkansas that provided that the capitalization under these consolidations should not exceed the actual value. We voted down that amendment. It

should have been accepted in fairness to the shipping world. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. THORKELSON].

Mr. THORKELSON. Mr. Chairman, I shall support the amendment.

Mr. Chairman, we have theoretically four classes of water traffic: Inland water traffic, coastwise water traffic, foreign water traffic, and bicoastal water traffic. The foreign traffic is of aid to the railroads and is a type of water traffic we should help and encourage by acquiring foreign markets, because in so doing we provide more commerce for the railroads. All forms of water traffic except the bicoastal traffic is old, and has existed ever since we have had water traffic. The inland water carriers aid the railroads and have never given them trouble. The coastal traffic is in about the same position; it is an aid to the railroad carriers, it carries merchandise from one point to another on the coast, for consumption in the port to which such cargo is carried, or for reshipment or transportation into the interior.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. THORKELSON. I yield.

Mr. SOUTH. The gentleman is making a very fine statement, and I dislike to interrupt him. Does the gentleman not agree with the Secretary of War who says that under the provisions of the pending bill water carriers can easily be regulated and taxed out of existence without the recapture of enough tonnage to affect railroad earnings appreciably?

Mr. THORKELSON. I may say to the gentleman that I do agree with that statement of the Secretary of War. They have always been regulated more or less by a special commission for inland water carriers, and a maritime board for foreign commerce.

The only water traffic that has really given any trouble to the railroads is the bicoastal traffic, and we have only had that since the building of the Panama Canal. Previous to that time, transportation by water from the Atlantic coast to the Pacific coast was routed through the Strait of Magellan or around Cape Horn. This, of course, was too costly, so the railroads carried most of the transcontinental freight.

The point involved in this is the long haul of the railroads. That is really the issue for consideration. In my opinion the railroads ought to have the right and the privilege to regulate the rates from one coast to another in such manner that they might compete with the water traffic from the Atlantic to the Pacific coast. I believe this is what the railroads would like to do, and it is my opinion that they should be permitted to operate under a transcontinental rate so that they may compete with water traffic. It is only fair that the railroads should be allowed to compete with bicoastal water commerce and if they are allowed to do so, that in itself will permit rehabilitation because of increase of earnings from long hauls. The merchant marine should in reality carry freight from all ports to foreign countries instead of engaging in competition with railroads by carrying freight in bicoastal trade. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I preface the few remarks I shall make at this time by reading a paragraph from a letter I recently received from one of the great organizations of the city of Pittsburgh. This letterhead bears a list of the names of many of the great men of Pittsburgh and vicinity, which lends a great deal of weight to this statement I am about to read. This is the paragraph:

> Low-cost water transportation has made and kept Pittsburgh the steel center of the world, and regulation such as you are attempting would take away its inherent advantages. Industry intentionally located on our rivers—the Monongahela, Allegheny, and Ohio—to take advantage of water transportation.

I submit this for the information of the gentlemen from Pennsylvania and neighboring States, who imagine they have a bonanza in the making in promoting this bill.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I am sorry; I cannot yield in the 3½ minutes' time allotted me now.

It may be interesting in connection with the amendment under consideration for a few minutes to consider what and to whom we propose to turn our water transportation facilities over. I have, therefore, gone to Who's Who in America to find out just what sort of men the membership of the Interstate Commerce Commission is composed of. It is interesting to note the background of the members of the Commission. I know you are all familiar with this news article I have here, which appeared in the Washington Post a couple of days ago regarding the new member who was appointed, and whose picture is also attached, Mr. W. J. Patterson. The article starts out by saying that he was a director of the Interstate Commerce Commission Bureau of Safety, and a former railroad brakeman, switchman, and conductor, just appointed to the Commission to replace one of the members who has resigned.

Now, going on down the line, Clyde B. Aitchison, and I am not casting any aspersions or reflections on the reputations or the honesty or integrity of any of these gentlemen; I am only pointing out to you that you are attempting to turn over a competing transportation facility to men who are inherently interested in and whose background comes as a result of and through their interest in railroads, railroading, and allied lines. Clyde B. Aitchison was a former railroad commissioner of Oregon from 1907 to 1916, and then solicitor of the National Association of Railway Commissioners.

Joseph Eastman was counsel for the employees of various street-railway companies, Federal Coordinator of Transportation.

Frank McManamy was United States Chief Inspector of Locomotives at Washington, D. C., Assistant Director of Transportation of the United States Railroad Administration, and chairman of the Committee on Design of Standard Locomotives and Cars for United States Railroads in charge of all construction and maintenance of all railroad equipment during Federal control of railroads.

And so on down the line with almost the entire list. Is it not too much to expect that a group of men such as this list, comprising as it does mostly former railroad men and those whose vocation has been allied with that particular transportation activity, would be the find of the century when it comes to the protection of our competitive transportation facilities?

I am in favor of this amendment because I am fearful of the results and consequences if we turn complete control over to the railroad commission.

We are just beginning to realize some savings in the Northwest from the river waterways. I want to quote from a letter I have recently received, showing the possibilities as to one item alone—coal and coke—if we can further develop this facility. The letter is as follows:

> The Twin Cities are beginning to receive some direct results of the river "low freight" schedule, and this season there will be a large saving, not only of the actual saving in freight, but larger still the threat which it holds over its larger competitors.
>
> For instance, Koppers coke is selling for the lowest figure that it has ever been delivered here in the Twin Cities, $11.60 per ton for stove and nut size. Last year this same coke sold for $12.90 per ton and 2 years ago the price was $13.90, or $2.30 more, and this was due in part to the coke we brought from Pittsburgh a year ago by the rivers (Ohio, Mississippi).

It is said that similar savings are soon to be realized on coal, of which we use about 2,000,000 tons per year in Minneapolis alone. It would be quite a nice saving to the consumer up there if we could go on and fully develop and utilize our river highways, would it not?

Another item on which we are realizing definite and actual savings is binder twine, which is an important element of farm costs to the great grain farmers of the Northwest. At the twine factory at Stillwater, Minn., which is in my own district, they have had to save on their overhead costs here and there as the price of twine has been forced down with

foreign competition from a high of 22 cents a pound to a present price only slightly over one-third that amount. Over $141,000 has been saved in their freight costs by shipping their raw material up the river by barge from New Orleans. Here is the chart showing actual yearly savings:

Actual saving in transportation charges on fiber tonnage consigned to the Minnesota State prison, received via the Federal Barge Lines—all-water route—through the Stillwater River terminal, from New Orleans, La., to Stillwater, Minn., against the rates applicable via the all-rail routes

Season	Weight	Rail rate	Water rate	Saving
	Pounds	*Cents*	*Cents*	
1929	4,270,039	0.58	0.445	$5,764.55
1930	2,365,347	.58	.445	3,193.22
1931	12,276,424	.58	.445	16,573.17
1932	13,974,644	.59	.455	18,865.76
1933	7,141,381	.59	.455	9,640.86
	8,351,205	.59	.445	12,109.25
1934	1,844,239	.58	.435	2,674.15
1935	3,435,334	.58	.435	4,981.23
	2,594,216	.6206	.4756	3,761.61
	7,819,513	.6206	.474	11,463.41
1936	11,410,827	.6206	.474	16,728.27
1937	10,165,121	.58	.435	14,739.43
1938	1,651,236	.58	.44	2,311.73
	11,654,961	.64	.48	18,647.94
Total	98,954,489			141,454.58

Other similar savings are being realized on gasoline and oils and on grain shipments and other bulk goods. It will be one of the crimes of the century if these benefits to the shipper, the farmer, and the consumer are denied by this ill-advised piece of legislation. I hope the amendment will be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. ANGELL].

COLUMBIA RIVER PORTS, NATION'S LARGEST GRAIN EXPORTERS. COMMODITY CREDIT CORPORATION GIVES RAIL SHIPPERS 8-CENT DIFFERENTIAL ON WHEAT LOANS OVER WATER SHIPPERS

Mr. ANGELL. Mr. Chairman, on July 14, this year, the Associated Press carried the following news item:

SHIPMENTS OF WHEAT LARGE

PORTLAND, July 14.—Portland and the Columbia River exported 26,422,764 bushels of grain during the cereal year ending June 30, the merchants exchange reported Thursday, the greatest annual water-borne export since 1929.

While figures for other wheat-shipping ports were lacking, the exchange hazarded the statement that the big shipment made Portland and neighboring river ports the Nation's largest grain exporters.

The figure exceeded by almost 11,000,000 bushels the 1937-38 total of 15,830,304 bushels.

Europe, principally the United Kingdom, took the bulk of the foreign-shipped grain—18,628,766 bushels.

From this it will be noted that the port of Portland, through the Columbia River and its tributaries, is perhaps the largest shipper of grain of any port in America. Transportation is of strategic importance in the merchandising of grain. Water-borne traffic on the Columbia River has been a material factor in the development of the port of Portland trade territory. The Federal Government has expended large sums throughout the years in improving the channel of this second largest river in the United States, and the State of Oregon and local port authorities have added to this investment in the development of the port and facilities for handling water-borne traffic. However, the Commodity Credit Corporation, a governmental agency, has penalized water shippers of this immense product. It has placed a 73-cents-per-bushel loan on wheat delivered at Portland if shipped by rail, and if shipped by river boat or truck there is a penalty of 8 cents per bushel or a net loan price in Portland of 65 cents. I recently took up with the Commodity Credit Corporation this unjust discriminatory regulation affecting water and truck shipments, but no relief has been forthcoming. In answer to my letter I received from the Commodity Credit Corporation the following reply, together with the attached enclosure:

COMMODITY CREDIT CORPORATION,
Washington, July 6, 1939.

Hon. HOMER D. ANGELL,
House of Representatives, Washington, D. C.

DEAR MR. ANGELL: Receipt is acknowledged of your letter of the 5th with reference to the differential of 8 cents per bushel on wheat stored at Portland under the 1939 wheat-loan program between wheat shipped by rail and wheat shipped by boat or truck.

The same differential applies to all designated terminal markets. The 8-cent differential is neither a penalty on nonrail shipments nor a premium on rail shipments. The 8 cents is allowed only in those cases where the original shipment was by rail and the paid-in freight bill has been registered for transit and made available to the Corporation in the manner stated in section 1 of 1939 C. C. C. Wheat Form 1 (Supplement 1), a copy of which is enclosed. The 8 cents is intended to reflect the average transit balance with respect to registered in-bound freight bills made available to the Corporation in connection with loans made upon wheat moved to terminal markets by rail.

Very truly yours,

JOHN D. GOODLOE, *Vice President.*

[CCC Wheat Form 1—Supplement 1—Instructions (1939)]

COMMODITY CREDIT CORPORATION

INSTRUCTIONS CONCERNING AMOUNT OF WHEAT LOANS

1. Amount of loans at terminal markets: Basic loan values on wheat of the designated grades and subclasses stored in approved public grain warehouses at the following terminal markets shall be as follows:

Market	Grade and subclass	Loan value per bushel
Kansas City, Mo.	No. 2 Hard Winter	$0.77
	No. 2 Red Winter	.75
Kansas City, Kans.	No. 1 Dark Northern Spring	.79
St. Joseph, Mo.	No. 1 Northern Spring	.77
	No. 2 Soft White	.75
	No. 2 Hard White	.76
Omaha, Nebr.	No. 2 Hard Winter	.76¼
	No. 1 Dark Northern Spring	.80
Council Bluffs, Iowa	No. 1 Northern Spring	.78
	No. 2 Red Winter	.74¼
	No. 2 Hard White	.75¼
	No. 2 Soft White	.74¼
Chicago, Ill.	No. 2 Hard Winter	.80
Milwaukee, Wis.	No. 2 Red Winter	.80
	No. 1 Northern Spring	.82
St. Louis, Mo.	No. 2 Hard Winter	.80
East St. Louis, Ill.	No. 2 Red Winter	.80
	No. 1 Soft White	.77
San Francisco, Los Angeles, Stockton, Oakland, Calif.	No. 1 White Club	.77
	No. 1 Western White	.77
	No. 1 Hard Winter	.77
	No. 1 Western Red	.77
Minneapolis, St. Paul, Duluth, Minn.	No. 1 Dark Northern Spring	0.87
	No. 1 Northern Spring	.85
	No. 2 Hard Winter	.81
	No. 2 Red Winter	.79
	No. 2 Amber Durum	.81
	No. 2 Red Durum	.68
Superior, Wis.	No. 2 Hard White	.81
	No. 2 Soft White	.80
	No. 2 Hard Amber Durum	.83
	No. 2 Amber Mixed Durum	.78
	No. 2 Mixed Durum	.71
Portland, Oreg. Seattle, Wash.	No. 1 Hard Federation, White Federation, Heart, and Bluestem Grading Hard White	.74
	No. 1 Soft White	.73
	No. 1 Western White	.73
	No. 1 Hard Winter	.73
	No. 1 White Club	.73
	No. 1 Red Winter	.73
	No. 1 Western Red	.73
	No. 1 Northern Spring	.73
Galveston, Tex.	No. 2 Hard Winter	.85
New Orleans, La.	No. 2 Red Winter	.83

The foregoing schedule of loan values applies to wheat delivered to any designated terminal market in carload lots which has been shipped by rail from a country shipping point to one of the designated terminal markets, as evidenced by paid freight bills duly registered for transit privileges and other documents as required under the instructions (1939 C. C. C. Wheat Form 1): *Provided*, That Commodity Credit Corporation will accept in lieu of such bills warehouse receipts on which a legend, signed by the warehouseman, has been stamped or typewritten in the following form or certificate of such warehouseman containing such an undertaking:

"The wheat represented hereby was received by rail freight from ---------- point of origin, as evidenced by original paid freight bill which has been officially registered for transit and will be held and kept alive, within statutory limitations, for the benefit of the holder hereof.

(Town) (County) (State)

----------"

(Warehouseman)

Otherwise a deduction of 8 cents per bushel shall be made.

2. Amount of loan at country points:

(a) Except for the States and counties hereinafter set forth, Commodity Credit Corporation will determine the loan value on wheat in storage on the farm or in country warehouses by deducting from the designated terminal market value an amount equal to 3 cents more than the all-rail interstate freight rate (in effect on May 1, 1939) from the country warehouse points, or the shipping point designated by the producer, to such terminal market; except that in the appropriate counties of Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Oklahoma, South Dakota, Texas, and Wisconsin such rates shall be computed on the basis of the average freight rate from all shipping points other than subterminal markets in each county to the appropriate terminal market.

Each approved warehouse will be advised as to the loan value applicable to wheat stored in such warehouse. Producers may obtain from the county committee the loan values applicable to wheat stored on each farm and in the public warehouses. Loan values will be published in C. C. C. Wheat Form 1, supplement 2, for each State.

The loan value of eligible wheat stored in approved subterminal warehouses (approved warehouses other than those situated in the designated terminal markets that have executed the terminal warehouse agreement, 1939 C. C. C. Wheat Form H), which was shipped by rail may be determined by deducting from the appropriate designated terminal market loan value an amount equal to the transit balance of the through freight rate from point of origin for such wheat to such terminal market; provided in the case of wheat stored at any railroad transit point, taking a penalty by reason of out-of-line movement, or for any other reason, to the appropriate designated market, there shall be added to such transit balance an amount equal to any out-of-line or other costs incurred in storing loan wheat in such position as determined by Commodity Credit Corporation. Arrangements have been made for the railroads to indicate transit balance of the through rate on the inbound paid freight bills on a basis of 100 pounds. To obtain the loan value as determined above, the warehouse receipts, in addition to other required documents, must be accompanied by the original paid freight bills duly registered for transit privileges: *Provided*, That Commodity Credit Corporation will accept in lieu of such bills, warehouse receipts on which a legend, signed by the warehouseman, has been stamped or typewritten substantially in the following form or certificate of such warehouseman containing such an undertaking:

"The wheat represented hereby was received by rail freight as evidenced by original paid freight bill which has been officially registered for transit and will be held and kept alive, within statutory and tariff limitations, for the benefit of the holder hereof. The aforementioned original paid freight bill carries notation thereon by the railroad agent showing transit balance, if any, of through rate from _____
(Town) (County) (State)
point of origin, to _____
(Basic loan terminal market)
of _____ cents per 100 pounds.
_____ _____"
(Address) (Warehouseman)

(b) Separate schedules of loan values will be issued for the States and counties hereinafter set forth:

Idaho: All counties south of Idaho County.

Utah: All counties.

Colorado: Alamosa, Archuleta, Chaffee, Conejos, Costilla, Custer, Delta, Dolores, Eagle, Fremont, Garfield, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Rio Grande, Routt, Saguache, San Miguel.

Wyoming: Lincoln, Sublette, Sweetwater, Teton, Uinta.

All counties of Indiana except Lake, Newton, Benton, Porter, Jasper, White, La Porte, St. Joseph, Marshall, Fulton, Elkhart, Kosciusko, and Starke.

Michigan.	Virginia.
Ohio.	Maryland.
Kentucky.	Delaware.
Tennessee.	Pennsylvania.
West Virginia.	New York.

The loan value of eligible wheat stored in approved subterminal warehouses in the foregoing area (approved warehouses that have executed the Terminal Warehouse Agreement, 1939 C. C. C. Wheat Form H) which was shipped by rail in the movement of natural market direction as approved by Commodity Credit Corporation, shall be determined by adding 3 cents per bushel to the county loan value for the county from which the wheat is shipped and an amount equal to the transit value of the freight paid from point of origin to markets designated by Commodity Credit Corporation. Lending agencies and county committees are advised that in each instance such transit value must be verified by the agency manager of the loan agency of Reconstruction Finance Corporation serving the area. In such cases the loan documents must be accompanied by the original paid freight bills or certificates of the warehouseman and other required documents as set forth in section 2 (a) above. If eligible, loan wheat is stored in approved subterminal warehouses located at transit points, taking a penalty by reason of back haul, or out of line of natural market movement, such penalty or other costs by reason of such movement, as determined by Commodity Credit Corporation, shall be deducted from loan values as determined above.

I have taken up with the Inland Empire Waterways Association, with headquarters in Walla Walla, Wash., a large grain-producing community, the matter of the unwarranted discrimination against water and truck carriers in favor of rail shippers, and received, under date of July 18, 1939, a letter which is of interest in the consideration of this important subject. The letter follows:

INLAND EMPIRE WATERWAYS ASSOCIATION,
Walla Walla, Wash., July 18, 1939.

Hon. HOMER D. ANGELL,
House of Representatives, Washington, D. C.

DEAR MR. ANGELL: I have read with a great deal of interest the letter of Mr. John A. Goodloe, vice president and general manager of the Commodity Credit Corporation, sent to you in answer to your letter concerning the 8-cent differential applied to all wheat loans on wheat not moving to Portland by rail.

I am distinctly at a loss to understand Mr. Goodloe's letter for apparently he is attempting to lead us to believe that the 8 cents is a milling-in-transit charge made by the railroads. The actual milling-in-transit rate is 1½ cents per hundredweight and with 60 pounds to a bushel, that would mean a charge of 9/10 cent per bushel.

Last year the Commodity Credit Corporation in their contract made a 4-cents-a-bushel differential. This year that has been jumped 100 percent to 8 cents. The only comforting thought was that last year only a small percentage of the wheat from this area was actually under Government loan.

It is my understanding that the Commodity Credit Corporation is applying a Nation-wide average. In other words, what the experience has been over the entire country on interior markets as well as coast export markets. They are asking that the export markets take up some of the cost of milling-in-transit privileges occasioned by the interior markets.

One cannot reach any other conclusion than that this is a gross discrimination against wheat from the Pacific Northwest. In support of my contention that this 8-cents-per-bushel differential should not apply to an export terminal market, attached you will find copy of news article under date of July 14, wherein it is stated that Portland and neighboring Columbia River ports are the Nation's largest grain exporters. Also, I am enclosing an article appearing in the paper as of July 14, where the railroads released a statement that the ruling of the Commodity Credit Corporation this year is a distinct aid and advantage to the rails in handling the wheat from the Pacific Northwest.

The milling-in-transit rate has not increased during the past year, and if 4 cents a bushel was right last year, why the 100-percent jump to 8 cents this year? Also, if the Northwest market, namely Portland, is principally an export market and the largest export market in the Nation today, why should the farmers of this area be asked to absorb the cost of milling-in-transit privileges from other markets that are principally interior markets where the reshipment of grain for milling purposes is a major part of the business?

The 73-cents-a-bushel loan value is not predicated to absorb 8 cents a bushel milling-in-transit charges and Mr. Goodloe's statement is inconsistent in this regard for if 95 percent of the milling-in-transit privileges are not exercised then the 8 cents per bushel is not applied and one can only reach the conclusion that a direct discrimination is being made against other forms of transportation.

The Commodity Credit Corporation has taken an arbitrary viewpoint in forcing the farmers of the Pacific Northwest to use rail service, which we do not believe is fair or just. The farmers are making elaborate plans to use river transportation extensively; and while I do not believe this will deter river shipments to any appreciable degree, it is more of a psychological disadvantage rather than a practical one, and it is my understanding that many of the old-line companies are contracting to buy wheat from the North Pacific Grain Growers cooperatives, especially from this immediate area, granting the privilege to these cooperatives to use barge service. Bulk loading facilities have been established at The Dalles, at Arlington, and two facilities have been established at the river bank in Walla Walla County.

I can appreciate that the Commodity Credit Corporation does not like to back down from a regulation they have issued. However, I do believe you are justified in inquiring as to why Portland, principally an export market and the largest one in the Nation today, should be placed on the same footing with interior markets.

The further thought occurs to me that if by administration we cannot get recognition of our particular problems in the Pacific Northwest, that we should by legislation make certain we are protected. Any application of a national average, particularly on wheat, works to our disadvantage. The Department of Agriculture has consistently refused to recognize Portland as an export wheat market and give to Portland its natural inherent advantages.

With best wishes and kindest regards, I am,

Sincerely,

H. G. WEST,
Executive Vice President.

The United Press, under a Portland date line of July 14, carried an announcement of particular interest with respect to this development, as follows:

RULING IS AID TO RAILROADS—DECISION GIVES ADVANTAGE IN FIERCE COMPETITION FOR GRAIN BUSINESS

PORTLAND, July 14.—Rail routes, in fierce competition with barges for the grain-shipping business in central Oregon, appeared Friday to hold a decided upper hand after two preliminary skirmishes, from which the farmers themselves may stand to benefit.

The rail routes were aided by a decision by the Commodity Credit Corporation, which announced from Washington that they will deduct 8 cents, instead of the 4 cents a bushel of last year, from the terminal loan value of wheat that is shipped by barge or truck, in order to cover transit privileges.

Previously, barge shippers, in an effort to attract the business, had announced they would give farmers the same transportation rate for bulk shipment of wheat that had applied heretofore only on sacked wheat. The differential had been 2 cents a hundredweight.

With rail shippers freed from the 8-cent transit deduction set by the Federal wheat lending agency, they will receive a long value of 73 cents a bushel on their wheat, while barge or truck freighters will get only 65 cents.

In direct shipping rates from The Dalles to Portland, where most of central Oregon's wheat is stored, the river route has a slight edge in rates, charging 7 cents per hundredweight to 7½ by the rails.

Because of this differential, water-route shippers had made plans greatly to increase wheat tonnage at The Dalles, building a new bulk-grain elevator to handle the wheat with a capacity of 1,200 tons.

The Oregon Journal on July 20, 1939, had the following editorial with respect to this discriminatory regulation affecting water transportation:

IT'S A QUEER PLAN TO AID NAVIGATION AND TO DESTROY IT

There may be half-a-dozen technical explanations of the arbitrary increase from 4 to 8 cents a bushel in the transit-privilege deductions made by the Commodity Credit Corporation on Federal-loan grain moving to Portland terminals by barge and truck from eastern Oregon and Washington.

But the fact remains that it is a body blow at Columbia River transportation of grain from The Dalles, Walla Walla, Port Kelly, Wasco, and Grass Valley, just at a time when growers are in position to use it effectively. It is discriminatory.

Worst of all, it creates an anomalous situation, in which one agency of government spends millions to make cheap Columbia River transportation possible, and the other promptly wipes out all its advantages.

True, growers who repay their C. C. C. loans, when and if they can, will get a refund. Or they can hold their grain in the country and get full value. Or they can use the railroads. But if they try to move it by water, to save money, as the Wasco County grain growers moved 250 tons in bulk from the port of The Dalles recently, they are docked 8 cents a bushel, their loan value is cut from 73 to 65 cents.

The Government might as well say, "Now that we've built Bonneville Dam and made the Columbia Channel usable, you can use the railroads—or else."

Mr. Chairman, I am calling this matter to the attention of the House at this time, as it has an important bearing on the railroad legislation we are considering. Throughout the years the Federal Government and local authorities have expended large sums in the improvement of our waterways and port facilities, the purpose being to maintain these natural facilities for transportation for the benefit of all the people. The railroads are privately owned and are not subject to the same free use by all of our citizens as are these great waterways. We should continue to maintain intact the policy we have followed in the past in keeping these waterways free and untrammeled. It would be a mistake to place them under joint regulation with railroads in the jurisdiction of the Interstate Commerce Commission. As disclosed by the regulations involved in commodity loans, the water shippers are placed at a disadvantage where conflicts arise between the two methods of transportation.

Mr. LEA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, had come to no resolution thereon.

EXCHANGE OF SURPLUS AGRICULTURAL COMMODITIES

Mr. CLARK, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 1317), which was referred to the House Calendar and ordered to be printed:

House Resolution 273

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2697, an act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

AMENDMENT TO PACKERS AND STOCKYARDS ACT, 1921

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 4998, an act to amend the Packers and Stockyards Act, 1921, with Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. DOXEY]?

There was no objection.

The Chair appointed the following conferees: Mr. DOXEY, Mr. KLEBERG, and Mr. HOPE.

EXTENSION OF REMARKS

Mr. BROOKS asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a statement by the Attorney General of the United States.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a radio address delivered by the junior Senator from Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. HESS]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. BATES]?

There was no objection.

[Mr. BATES of Massachusetts addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to include in the remarks I made in the Committee of the Whole today two excerpts, one from the United Press and one from the Associated Press; also a short editorial from the Portland Journal, and two letters, one from the Commodity Credit Corporation and the other from the Inland Empire Waterways Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

NEVADA SILICA SANDS, INC.

Mr. SMITH of Virginia, from the Committee on Mines, filed a supplemental report to accompany the bill (H. R. 7327) for the relief of Nevada Silica Sands, Inc.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement by ex-President Hoover.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. STEFAN, indefinitely, on account of official business.

To Mr. THOMAS S. MCMILLAN, indefinitely, on account of official business.

To Mr. WOODRUFF, for balance of session, on account of official business.

To Mr. RABAUT, indefinitely, on account of official business.

To Mr. SHORT, for an indefinite period, on account of official Government business.

To Mr. MARTIN J. KENNEDY, for an indefinite period, on account of official business.

NEW YORK WORLD'S FAIR COMMISSION

The SPEAKER. On account of the lamented death of the late Representative McReynolds, of Tennessee, chairman of the Committee on Foreign Affairs, the Chair makes the following announcement:

Pursuant to the provisions of Public Resolution 53, Seventy-fifth Congress, the Chair appoints as a member of the New York World's Fair Commission, the gentleman from New York [Mr. BLOOM].

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. DICKSTEIN asked and was given permission to extend his own remarks in the RECORD.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD a statement on the handling of the strike situation by Governor Murphy.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE LATE CHARLES FREDERICK SCOTT

The SPEAKER. Under a previous special order, the gentleman from Kansas [Mr. GUYER] is recognized for 15 minutes.

Mr. GUYER of Kansas. Mr. Speaker, since the adjournment of the Seventy-fifth Congress last year one of the ablest men who ever represented Kansas in our National Legislature passed to the great beyond, to that "undiscover'd country from whose bourn no traveler returns." I refer to the late Charles Frederick Scott, who served with great distinction in the House for 10 years, 6 years as Congressman at large and 4 years from the Second Congresisonal District, which I now have the honor to represent.

During the last 4 years of his service he was chairman of the Committee on Agriculture. He was the solitary man from Kansas who served as chairman of an exclusive committee. The late Hon. Daniel Anthony was eligible to be chairman of the Appropriations Committee, but his health prevented him from active service in that capacity. It was during Mr. Scott's service as chairman of this great committee that the Farm Bureau was established in his effort to secure and establish closer contact and cooperation between the farmer and the Department of Agriculture.

Charles F. Scott brought to the public service in the House of Representatives one of the finest and clearest minds that Kansas ever furnished the Nation. In his relatively short service he made a deep impression on all who were Members at that time. It has been 28 years since he completed his service in the House and there remain at present only two men in the House who served with him, but each of these men have a distinct recollection of his outstanding ability as well as his greatness of heart. They are Hon. ADOLPH J. SABATH, of Illinois, and Hon. EDWARD T. TAYLOR, of Colorado. Mr. TAYLOR declared that Mr. Scott was one of the very ablest men among the many distinguished statesmen who had served as chairman of the Committee on Agriculture. Mr. SABATH spoke with enthusiastic warmth of Mr. Scott's virtues as a statesman and a gentleman. The fact that so few remain of the nearly half thousand who served with him at that time illustrates again the transitory character of our service here and the relations with our fellow Members.

Of the 434 men who greeted me December 1, 1924, when I first came to the House to fill the unexpired term of the late E. C. Little, less than 50 remain. I have served under six different Speakers, four of whom have gone to the land of their dreams. Of all the Members from Kansas in the Senate and House, only Senator CAPPER remains in the Senate, and I am the lone survivor in the House. Of the roster of the Senate and the House at that time, Curtis, Anthony, White, Sproul, and Strong have passed away.

All this illustrates the changes even such a short time makes in official life here in Washington. But the crowded intervening years have hurried on with incredible swiftness, leaving but a dim and vanishing image of the scores who have shared a common service in our branch of the legislative department fashioned for us by our fathers in the Constitution. Today we are here exhilerated by our combined struggle to solve the problems of our unhappy country, but delighted with the incomparable associations and historic surroundings—and tomorrow we will be but memories. Mr. Scott knew and understood this and he crowded into his decade of service surprising achievements which built for him an enviable record of accomplishment of which his State and country can well be proud.

Mr. Scott was a master of good English. His masterful editorials and eloquent speeches all attest this fact. They all reflected brilliant and fastidious diction and meticulous rhetoric. Had it not been for his innate goodness of heart and his generous charity for those less gifted than himself I should have always been embarrassed when speaking in his presence, for I well knew how every awkward expression and familiar liberty taken with the King's English must have grated on his sensibilities. But, knowing his prodigality of forgiveness, I felt no timidity however lame my rhetoric and faulty my logic. As a writer of pure English and faultless editorial style, he probably had no equal, certainly no superior, in the State of Kansas, noted as it is for its galaxy of brilliant newspapermen.

Mr. Scott was an outstanding leader in whatever capacity that engaged his varied and unusual talents. In the past half century he often served on the board of regents of his beloved alma mater, the University of Kansas, whose interests were always very close to his heart. From his graduation in 1881 to the last, he gave the best of his counsel and energy to its prosperity. The first time I ever saw him was when he represented the university regents in accepting the keys of the Physics and Electrical Engineering Building at the Kansas University the fall of 1895 from John Seaton, who got tangled up in the name of the building; and we all admired Mr. Scott's agility in extricating Mr. Seaton from his futile efforts to unscramble the name of that building which good old John, a member of the building committee of the State legislature, was delegated to turn over to the board of regents.

Mr. Scott was one of the organizers of the Kansas State Editorial Association and remained one of its most influential members to the day of his death. He was also one of the

organizers of the Kansas Day Club, which still is a potent force in the Republican Party in Kansas. His vital interests covered a wide and varied range. He was a political leader of national repute, an educational leader of high rank, a religious leader of power in his church, and a civic leader in his community whose interests were always very dear to his heart. In all these various activities, he always gave the best of his rich endowments, and his fine work will long leave its deep impression upon his State and community.

The Iola Daily Register was Mr. Scott's absorbing interest, and to it he gave all of his fine talents and transcendent editorial ability. He was intrinsically and fundamentally an editor. While he was no doubt familiar with every department of his paper, his talents found their perfect work on the editorial page, which was eagerly read by thousands, not only for the sound and illuminating matter it contained, but also for the faultless and trenchant English he was wont to employ.

You scarcely ever found an error of any sort in the Register because everything from misspelled words to slips in rhetoric had to pass under his critical eye. It was Mr. Scott's delight to catch his editorial brethren in some ancient and honorable blunder in the misuse of some familiar word such as "flout" and "flaunt." All this was done in the sweetest good humor, as some dear old teacher like "Mr. Chips" would have corrected one of the boys at Brookfield. And everybody enjoyed the experience, even the victim of the criticism.

In the editorial gatherings in Kansas Mr. Scott for many years was a most conspicuous and popular figure and his sound and wise counsel was always welcomed. He became an enthusiastic devotee of golf and some of my most pleasant memories of recreation in Washington are the games at the Rock Creek golf course with Mr. Scott when years ago he was with the National Republican Committee in Washington. I was told by the late Herbert J. Cornwell of the St. John News that Mr. Scott was one of the first members of the Kansas State Editorial Golf Tournament and one of its most consistent players.

Mr. Scott was a statesman rather than a politician. The tricks and game of politics were beneath his taste and his frank, outspoken sincerity. He depended upon logic and persuasion rather than the arts of logrolling and trading. Illustrating Mr. Scott's intellectual and political integrity is the fact not widely known but none the less true that his support of William Allen White for Governor on an independent anti-Klan ticket in 1924 cost him the office of Secretary of Agriculture in President Coolidge's Cabinet.

I was elected to Congress November 4, 1924, to fill out the unexpired term of the late Col. E. C. Little. On the morning of the 5th of November a reporter of the Kansas City Star called me up at my home west of Kansas City, Kans., very early and told me that it was rumored that a Kansas man might become Secretary of Agriculture and asked if I had any comment. I immediately replied that the second district had two men eminently qualified, Charles F. Scott and Samuel B. Haskins. The Associated Press carried this in the Washington papers and immediately Chief Justice Taft called at the White House and told President Coolidge that if he (Taft) had been elected in 1912 he would have appointed Scott as Secretary of Agriculture. Secretary of War Weeks had served with Mr. Scott in the House and told the President that in his opinion Mr. Scott was the best Republican west of the Mississippi River. Frank Hitchcock came down from New York and testified to the splendid qualifications of Mr. Scott and President Coolidge was sold on that appointment.

Some post office matters left unsettled by Colonel Little required my presence in Washington so on November 10 I came here and went to the office of the late Vice President Curtis, then the senior Senator from Kansas. The first thing Mr. Curtis said was that President Coolidge had it in his mind to appoint Mr. Scott Secretary of Agriculture and though there was no one he would rather see appointed than Mr. Scott, it would never do politically on account of Scott's support of an independent candidate for Governor.

When Congress met in December I made my first appointment with a President to inquire what the President's desire was, as it was then known that Kansas was to have the appointment. President Coolidge frankly confirmed what Senator Curtis had told me, and what Taft, Weeks, and Hitchcock had said of Mr. Scott, and that he would gladly appoint Mr. Scott if the Kansas delegation would request it. Soon after that the delegation met and passed a resolution endorsing Mr. Jardine. While to my knowledge there was no objection to Mr. Jardine, every Member of the Kansas delegation preferred above all others Mr. Scott, but for this political reason saw fit to vote as they did. On such slender threads does destiny sometimes hang. It seems unfortunate that this man, an unswerving party adherent, should just once bolt his party ticket at the cost probably of his life's ambition. But he did it upon what he conscientiously considered exalted fundamental principles, and I have no doubt that with all this known to him he would have acted the same.

Two officers of the House are yet here who were attached to the personnel of the House when Mr. Scott was a Member, the doorkeeper, Mr. Sinnott, and the assistant clerk, William Tyler Page. Both remember Mr. Scott as one of the strongest debaters in the House. He spoke rarely, but with great force and eloquence, for he always thoroughly understood his subject which gave him the close attention of the House whenever he spoke.

During Mr. Scott's busy life he became the author of several books among which were Letters written while in Mexico and Europe, History of Allen and Woodson Counties (Kans.), and In the Far East. Mr. Scott accompanied the Kansas relief ship to Belgium in 1915, at which time he visited the western front, being conducted by German officers.

Too high eulogy cannot be pronounced upon Mr. Scott as a man of upright character, exemplary life, and unimpeachable integrity. As neighbor and friend, as coworker in every good cause, as an unswerving contender for what his conscience and judgment convinced him was right, Mr. Scott had no superior.

Along with Mr. Scott's devotion to his paper was his supreme interest in his home and family. Here he was very happy and fortunate. He was the father of three sons and one daughter, all well established in life, and one taking his place as editor of the Iola Register. He left as a priceless legacy to his posterity an honored and distinguished name, a life filled with unselfish devotion to his family, his State, and his country.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5144. An act to authorize the board of directors of the Columbia Institution for the Deaf to dedicate a portion of Mount Olivet Road NE. and to exchange certain lands with the Secretary of the Interior, to dispose of other lands, and for other purposes; and

H. R. 6076. An act to provide for the registry of pursers and surgeons as staff officers on vessels of the United States, and for other purposes.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 2065. An act to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes;

S. 2139. An act to exempt from taxation certain property of the American Friends Service Committee, a nonprofit corporation organized under the laws of Pennsylvania for religious, educational, and social-service purposes;

S. 2150. An act to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act; and

S. 2666. An act providing for the exchange of certain park lands at the northern boundary of Piney Branch Parkway,

near Argyle Terrace, for other lands more suitable for the use and development of Piney Branch Parkway.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 26, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Commmittee on Indian Affairs on Wednesday next, July 26, 1939, at 10 a. m., for the consideration of H. R. 793, H. R. 3521, House Joint Resolution 288, House Joint Resolution 290, and S. 72. The Indian Affairs Committee will also consider H. R. 5684 and H. R. 2653 on Wednesday.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m., Wednesday, July 26, 1939, for the consideration of H. R. 7293.

EXECUTIVE COMMUNICATIONS, ETC.

1045. Under clause 2 of rule XXIV a letter from the Chairman of the Reconstruction Finance Corporation, transmitting a summary of the activities of the Commodity Credit Corporation since its organization on October 17, 1933, through June 30, 1939 (H. Doc. No. 449), was taken from the Speaker's table, referred to the Committee on Banking and Currency, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROBINSON of Utah: Committee on the Public Lands. S. 2. An act authorizing the Secretary of the Interior to convey certain land to the State of Nevada to be used for the purposes of a public park and recreational site and other public purposes; with amendments (Rept. No. 1303). Referred to the Committee of the Whole House on the state of the Union.

Mr. SHANNON: Committee on Naval Affairs. H. R. 5734. A bill for the relief of World War sailors and marines who were discharged from the United States Navy or United States Marine Corps because of minority or misrepresentation of age; without amendment (Rept. No. 1310). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 1156. An act to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the military reservation known as the Morehead City Target Range, N. C., for the construction of improvements thereon, and for other purposes; without amendment (Rept. No. 1311.) Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 2562. An act to facilitate certain construction work for the Army, and for other purposes; with an amendment (Rept. No. 1312). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. S. 2784. An act to amend section 4 of the act entitled "An act to provide a civil government for the Virgin Islands of the United States," approved June 22, 1936; without amendment (Rept. No. 1314). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 6158. A bill authorizing the selection of a site in the District of Columbia and the erection thereon of a statue of George Washington; with amendments (Rept. No. 1315). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. H. R. 5118. A bill for the relief of the State of Ohio; without amendment (Rept. No. 1316). Referred to the Committee of the Whole House on the state of the Union.

Mr. CLARK: Committee on Rules. House Resolution 273. Resolution providing for the consideration of S. 2697. An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad; with amendment (Rept. No. 1317). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of West Virginia: Committee on Mines and Mining. Supplemental report (No. 2). H. R. 7327. A bill for the relief of the Nevada Silica Sands, Inc.; (Rept. No. 1271). Ordered to be printed.

Mr. COFFEE of Washington: Committee on Claims. H. R. 3566. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Ben White, Arch Robinson, Lee Wells, W. S. Wells, A. J. McLaren, A. D. Barkelew, Oscar Clayton, R. L. Culpepper, W. B. Edwards, the estate of John McLaren, the estate of C. E. Wells, and the estate of Theodore Bowen; with amendments (Rept. No. 1304). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3689. A bill for the relief of the Columbus Iron Works Co.; with amendments (Rept. No. 1305). Referred to the Committee of the Whole House.

Mr. KEEFE: Committee on Claims. H. R. 4549. A bill for the relief of William H. Radcliffe; with an amendment (Rept. No. 1306). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 5775. A bill for the relief of Michael M. Cohen; with amendments (Rept. No. 1307). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 5857. A bill to amend Private Act No. 286, approved June 18, 1934, entitled "An act for the relief of Carleton-Mace Engineering Corporation"; without amendment (Rept. No. 1308). Referred to the Committee of the Whole House.

Mr. SUTPHIN: Committee on Naval Affairs. S. 2482. An act authorizing the President to present a Distinguished Service Medal to Rear Admiral Harry Ervin Yarnell, United States Navy; without amendment (Rept. No. 1309). Referred to the Committee of the Whole House.

Mr. WEAVER: Committee on the Judiciary. H. R. 7230. A bill to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd; with an amendment (Rept. No. 1313). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 7357. A bill to amend section 4472 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 465) to provide for the safe carriage of explosives or other dangerous or semi-dangerous articles or substances on board vessels; to make more effective the provisions of the International Convention for Safety of Life at Sea, 1929, relating to the carriage of dangerous goods; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HENDRICKS:

H. R. 7358. A bill to authorize an appropriation for the purpose of establishing a national cemetery at St. Cloud, Fla.; to the Committee on Military Affairs.

By Mr. PETERSON of Florida:

H. R. 7359. A bill to increase, from $30 to $60 per month, the amount of pension payable to war veterans for permanent total non-service-connected disabilities; to the Committee on World War Veterans' Legislation.

H. R. 7360. A bill to liberalize the definition of permanent total disability for pension purposes; to the Committee on World War Veterans' Legislation.

By Mr. TREADWAY:

H. R. 7361. A bill relating to the taxation of community-property income; to the Committee on Ways and Means.

By Mr. ALLEN of Pennsylvania:

H. R. 7362. A bill to provide for a commemorative plaque in honor of Finland; to the Committee on the Library.

By Mr. THOMAS F. FORD:

H. R. 7363. A bill to amend the Emergency Relief Appropriation Act of 1939 to provide for the reestablishment of the Federal Arts Projects; to the Committee on Appropriations.

By Mr. MAY:

H. R. 7364 (by request). A bill to authorize Federal recognition of the commanding general of the National Guard of the District of Columbia; to the Committee on Military Affairs.

By Mr. GEYER of California:

H. R. 7365. A bill to amend the Emergency Relief Appropriation Act of 1939 to provide for the reestablishment of the Federal Arts Projects; to the Committee on Appropriations.

By Mr. JOHN L. McMILLAN:

H. R. 7366. A bill to amend section 36 of the Emergency Farm Mortgage Act with respect to loans to refinance the indebtedness of drainage, levee, and irrigation districts, and other similar organizations; to the Committee on Agriculture.

By Mr. VOORHIS of California:

H. R. 7367. A bill to amend the Emergency Relief Appropriation Act of 1939 to provide for the reestablishment of the Federal Arts Projects; to the Committee on Appropriations.

By Mr. WELCH:

H. R. 7368. A bill amending section 6 of the act entitled "An act granting to the city and county of San Francisco certain rights-of-way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes," approved December 19, 1913 (38 Stat. 242); to the Committee on the Public Lands.

By Mr. FULMER:

H. Res. 271. Resolution providing for the consideration of H. R. 6972, a bill to amend the Federal Crop Insurance Act; to the Committee on Rules.

By Mr. DELANEY:

H. Res. 274. Resolution requesting certain information from the War Department; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. IZAC:

H. R. 7369. A bill for relief of Charles A. Brinkley, captain, United States Army, retired; to the Committee on Claims.

By Mr. JENSEN:

H. R. 7370. A bill granting an increase of pension to Delia Parmentier; to the Committee on Invalid Pensions.

By Mr. KRAMER:

H. R. 7371. A bill granting a pension to Charles Lenard Ray; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4917. By Mr. ANGELL: Petition of Eugene Cahill and sundry other citizens of Portland, Oreg., regarding the wage and hour provision of the Works Progress Administration law; to the Committee on Appropriations.

4918. By Mr. CURLEY: Resolution adopted by the International Longshoremen's Association, signed by President Joseph L. Ryan, opposing the passage of the Lea bill (H. R. 4862), known as the transportation bill; to the Committee on Interstate and Foreign Commerce.

4919. Also, petition of the Central Trades Labor Council, Greater New York, urging restoration of prevailing-wage rate on Works Progress Administration work now in course of construction; to the Committee on Appropriations.

4920. Also, petition of the Central Trades Labor Council, Greater New York, opposing the Wheeler-Lea transportation bills; to the Committee on Interstate and Foreign Commerce.

4921. Also, petition of the United Marine Division, Local 33, International Longshoremen's Association, New York City, protesting against the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4922. Also, petition of Local 933–934, Deck Scow Captains Union, I. L. A., New York City, protesting against the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4923. By Mr. EATON of California: Resolution adopted by the board of governors of the Long Beach Bar Association, urging the President of the United States, the Attorney General, Senators from California, and Representatives in Congress from southern California, to take appropriate steps to bring about an early appointment of a seventh judge for this district; to the Committee on the Judiciary.

4924. Also, resolution adopted by the board of governors of the Long Beach Bar Association, urging the California Senators and Representatives in Congress and members of the Judiciary Committees of the Senate and House of Representatives to take appropriate steps to provide an additional judge for the United States District Court for the Southern District of California, and to that end to support, so far as it relates to this district, Senate bill 2185, which is now pending; to the Committee on the Judiciary.

4925. By Mr. GILLIE: Petition of 1,000 members of the Goodfellowship Club, of Fort Wayne, Ind., requesting amendment of the work-relief bill, as follows: (1) The substitution of the prevailing wage for the security wage; (2) the abolition of the clause making it necessary for the Works Progress Administration to lay off all who have worked 18 months or longer for a period of 30 days; (3) to request additional appropriations so as to make it possible that unemployed people be restored to the Works Progress Administration rolls, and present lay-offs be stopped; to the Committee on Appropriations.

4926. By Mr. MICHAEL J. KENNEDY: Petition of George D. Brown, Jr., secretary, New York State Division of Housing, urging favorable action at once by Rules Committee on Senate bill 591, housing bill; to the Committee on Rules.

4927. Also, petition of Committee for Amendment of the Coal Act, advocating better soft-coal regulation; to the Committee on Ways and Means.

4928. Also, petition of the United States Conference of Mayors, dealing with the present and future Works Progress Administration situation; to the Committee on Appropriations.

4929. Also, petition of the National Federation of Federal Employees, pertaining to their fifteenth annual convention to be held in San Francisco, Calif., on September 4, 1939; to the Committee on the Civil Service.

4930. Also, petition of the Employing Printers Association of America, Inc., pertaining to labor legislation; to the Committee on Labor.

4931. Also, petition of the Edward Conen Transportation Corporation, Brooklyn, N. Y., urging immediate enactment by the Congress of Senate bill 2009, the transportation bill; to the Committee on Interstate and Foreign Commerce.

4932. Also, petition of the United Association of Journeymen Plumbers and Steam Fitters Auxiliary No. 463, of 2,400 members, New York City, urging favorable action on Murray-Sabath amendments to the Woodrum Relief Act; to the Committee on Appropriations.

4933. Also, petition of the National Fertilizer Association, pertaining to report of the United States Department of Agriculture dealing with fertilizer prices; to the Committee on Agriculture.

4934. By Mr. HOUSTON: Petition of Rena B. Gordon, president, G. W. F. Club, No. 60, Newton, Kans., urging Members of Congress to sign discharge petition No. 15; to the Committee on Ways and Means.

4935. By Mr. KEOGH: Petition of the American Trucking Association, Inc., Washington, D. C., concerning Lea-Wheeler bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

4936. Also, petition of certain trade associations, New York City, concerning Senate bill 915 and House bill 6324; to the Committee on the Judiciary.

4937. Also, petition of the National Electrical Contractors Association, New York City, concerning Senate bill 915 and House bill 6324; to the Committee on the Judiciary.

4938. Also, petition of the National Association of Women Lawyers, New York City, concerning Senate bill 915 and House bill 6324; to the Committee on the Judiciary.

4939. By Mr. KRAMER: Petition of residents of Los Angeles, relative to the penalty imposed upon employees who were unable to pay State unemployment reserve tax, etc.; to the Committee on Appropriations.

4940. By Mr. ROCKEFELLER: Petition of R. B. Raymond and 93 residents of Twilight Park, Haines Falls, Greene County, N. Y., insisting that all appropriations for relief be turned over to the States and administered by a nonpolitical commission, protesting against a third term for any President, demanding economy in Government and a balanced Budget, adequate protection for our country, and demanding that all emergency powers given to the President be rescinded, protesting against any further devaluation of the dollar; to the Committee on Election of President, Vice President, and Representatives in Congress.

4941. By Mr. VOORHIS of California: Petition of Joe Foster, of Los Angeles, Calif., and 35 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4942. Also, petition of Arthur Dumming, of Santa Cruz, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4943. Also, petition of Theo C. Pope, of Yucaipa, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4944. Also, petition of Seth W. Lawton, of Glendale, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4945. Also, petition of John E. Sandahl, of Veterans' Home, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4946. Also, petition of Ella DeWitt, of Lynwood, Calif., and 25 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4947. Also, petition of Kate A. Ayres, of Monrovia, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4948. Also, petition of Seraph M. Osbern, of Redwood City, Calif., and 10 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4949. Also, petition of John Braito, of Vallejo, Calif., and six others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4950. Also, petition of M. H. Bryan, of Fallbrook, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4951. Also, petition of S. G. Moyse, of Alhambra, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4952. Also, petition of George W. Peterson, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4953. Also, petition of N. A. Hoke, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4954. Also, petition of James J. Gibeon, of Los Angeles, Calif., and 18 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4955. Also, petition of J. Ford, of Novato, Calif., and 17 others, endorsing House bill 4931, providing for Government

ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4956. Also, petition of Francis Mayer, of Pasadena, Calif., and six others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4957. Also, petition of Charles Oldenburg, of San Francisco, Calif., and five others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4958. Also, petition of Sam Crossman, of Warrensburg, Ill., and nine others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4959. Also, petition of E. P. Stearris, of Oakland, Calif., and 10 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4960. Also, petition of James W. Miller, of Eldon, Mo., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4961. Also, petition of Earl R. Bill, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4962. Also, petition of Willard F. Gillett, of Los Angeles, Calif, and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4963. Also, petition of Edward Fye, of Monrovia, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4964. Also, petition of L. H. Stockstill, of Long Beach, Calif., and 26 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4965. Also, petition of Evelyn French, of Hollywood, Calif., and 10 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4966. Also, petition of George W. Cochrine, of Hayward, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4967. Also, petition of Walter E. B. Upton, of Oakland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4968. Also, petition of Anders A. Keitgaard, of Sunset Beach, Calif., and 15 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4969. Also, petition of Edwin Swensson, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4970. Also, petition of Lucy Hunter, of Baldwin Park, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4971. Also, petition of Robert H. Brockee, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4972. Also, petition of George Landober, of Richmond, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4973. Also, petition of Julius A. Hachtmam, of Ventura, Calif., and seven others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4974. Also, petition of Herman Lakenberg, of Hollywood, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4975. Also, petition of Jens Christensen, of Escondido, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4976. Also, petition of F. L. Stewart, of Fallbrook, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Com-

mittee to hold hearings on the said bill; to the Committee on Banking and Currency.

4977. Also, petition of Fred H. Schultz, of South Gate, Calif., and 24 others, endorsing House bill 4931 providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4978. Also, petition of Helen G. Roberts, of Los Angeles, Calif., and 18 others endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4979. Also, petition of H. H. Hillegas, of Santee, Calif., and 30 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4980. Also, petition of Frank A. Sweet, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4981. Also, petition of Frederick W. Roman, of Los Angeles, Calif., and 33 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4982. Also, petition of Manford M. Clappor, of Ocean Park, Calif., and 3 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4983. Also, petition of Walter Thomas Brills, of Tujunga, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4984. Also, petition of Jacob Benkert, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4985. Also, petition of Hugh E. Macloeth, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4986. Also, petition of William H. Potts, of Santa Monica, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4987. Also, petition of Francis W. Wilson, of Sonora, Calif., and 5 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4988. Also, petition of John Myrmo, of Long Beach, Calif., and 2 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4989. Also, petition of Merle Lantz, of Honcut, Calif., and seven others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4990. Also, petition of E. J. Willey, of Oakland, Calif., and four others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4991. Also, petition of James H. Dowser, of Long Beach, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4992. Also, petition of Leanoler Van der Haegen, of Long Beach, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4993. Also, petition of Jule A. Dorion, of Concord, Calif., and 29 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4994. Also, petition of Frank L. Baudoni, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4995. Also, petition of V. E. Inger, of Alameda, Calif., and 15 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congess of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4996. Also, petition of G. Schiller, of Glen Head, Long Island, N. Y., and 19 others endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4997. Also, petition of Alexander Hamilton, of New York, N. Y., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4998. Also, petition of Paul L. Gray, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

4999. Also, petition of Henry Haenel, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5000. Also, petition of Charles J. McDonald, of Alhambra, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5001. Also, petition of W. B. Bezanson, of Los Angeles, Calif., and 18 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5002. Also, petition of John C. Shartel, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5003. Also, petition of George Boyd, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5004. Also, petition of J. K. Hawley, of San Pedro, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5005. Also, petition of Lawrence J. Casey, of San Diego, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5006. Also, petition of Wilfred Stevens, of Long Beach, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5007. Also, petition of L. L. Grant, of Los Angeles, Calif., and 13 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5008. Also, petition of Nils E. Olson, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5009. Also, petition of Anton Blater, of Oakland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5010. Also, petition of James E. Vaughan, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5011. Also, petition of Albert Ferris, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5012. Also, petition of Richard T. Whitten, of Hondo, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5013. Also, petition of Thomas J. Morgan, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5014. Also, petition of R. D. James, of Oakland, Calif., and 11 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5015. Also, petition of H. A. Lloyd, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5016. Also, petition of John Leitgeb, of North Hollywood, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5017. Also, petition of Frank Butz, of Brooklyn, N. Y., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5018. Also, petition of Stephen John, of Glendale, Long Island, N. Y., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5019. Also, petition of Herman Holzworth, of Brooklyn, N. Y., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5020. Also, petition of Franklin J. Anderson, of Brooklyn, N. Y., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5021. Also, petition of Charles Ratus, of Brooklyn, N. Y., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5022. Also, petition of H. Hook, of Jamaica, Long Island, N. Y., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5023. Also, petition of Albert A. Flahue, of Sunland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5024. Also, petition of Zaugg Albert, of Fontana, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5025. Also, petition of Robert A. Langley, of North Hollywood, Calif., and 49 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5026. Also, petition of A. E. Goodson, of Santa Monica, Calif., and 20 others, endorsing House bill 4931, a bill providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5027. Also, petition of Garrison W. Derryberry, of Los Angeles, Calif, and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5028. By the SPEAKER: Petition of Labor's Non-Partisan League of California, San Francisco, Calif., petitioning consideration of their resolution with reference to Works Progress Administration legislation; to the Committee on Appropriations.

5029. Also, petition of Waldo B. Cavitt, post commander, Ellis Jirous Post, No. 53, American Legion, Perry, Okla.; petitioning consideration of their resolution with reference to a service pension for all veterans of the World War; to the Committee on World War Veterans' Legislation.

SENATE

WEDNESDAY, JULY 26, 1939

(Legislative day of Tuesday, July 25, 1939)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Reverend Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

Defend, O Lord, with Thy heavenly grace, the several nations on this continent; endow their chief executives and congresses with wisdom and understanding; fill them with the love of truth and peace; show them the way to mutual concord and friendliness, until every strife and discord shall be resolved amongst them, and they shall present unto Thee a commonwealth of free and friendly nations, well-pleasing in Thy sight. Through Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, July 25, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	Holman	Pittman
Andrews	Ellender	Johnson, Colo.	Russell
Austin	Frazier	King	Schwartz
Barbour	Gibson	La Follette	Sheppard
Barkley	Gurney	McKellar	Smathers
Bulow	Harrison	McNary	Taft
Byrd	Hatch	Miller	Thomas, Utah
Byrnes	Hayden	Minton	Townsend
Clark, Idaho	Herring	Neely	Tydings
Connally	Hill	Norris	

The VICE PRESIDENT. Thirty-nine Senators have answered to their names. There is not a quorum present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators and Mr. DAVIS, Mr. GERRY, Mr. MURRAY, Mr. THOMAS of Oklahoma, Mr. TRUMAN, and Mr. WAGNER answered to their names when called.

The VICE PRESIDENT. Forty-five Senators have answered to their names. A quorum is not present.

Mr. BARKLEY. I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. BAILEY, Mr. BANKHEAD, Mr. BORAH, Mr. BROWN, Mr. BURKE, Mr. CAPPER, Mr. CHAVEZ, Mr. CLARK of Missouri, Mr. DANAHER, Mr. GEORGE, Mr. GILLETTE, Mr. GREEN, Mr. HUGHES, Mr. JOHNSON of California, Mr. LODGE, Mr. MCCARRAN, Mr. PEPPER, Mr. RADCLIFFE, Mr. SCHWELLENBACH, Mr. SHIPSTEAD, Mr. TOBEY, Mr. VANDENBERG, Mr. VAN NUYS, and Mr. WHITE entered the Chamber and answered to their names.

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] and the Senator from South Caroline [Mr. SMITH] are detained from the Senate because of illness in their families.

The Senator from Ohio [Mr. DONAHEY], the Senator from Virginia [Mr. GLASS], the Senator from Kentucky [Mr. LOGAN], and the Senator from Louisiana [Mr. OVERTON] are unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Connecticut [Mr. MALONEY], and the Senator from Illinois [Mr. SLATTERY] are absent on important public business.

The VICE PRESIDENT. Sixty-nine Senators having answered to their names, a quorum is present.